



of Companies

46th Annual Report 2025

UMER GROUP OF COMPANIES

BHANERO TEXTILE MILLS LIMITED



Vision

A premier quality company providing quality products by maintaining an excellent level of ethical & professional standards.



Mission Statement

To become a leading manufacturer of textile products globally and explore the new era to achieve the highest level of success.

Index

Contents	Page No.
Corporate Information	4
Notice of Annual General Meeting	5-10
Chairman's Review Report	11-14
Director's Report	15-28
Overview of Environment, Social and Governance Performance	29-33
Statement of Compliance with the Best Practices	34-37
Auditors Review Report on Statement of Compliance with Code	38
Auditors Report on Annual Financial Statements	39-42
Statement of Financial Position	43
Statement of Profit or Loss Account	44
Statement of Comprehensive Income	45
Statement of Changes in Equity	46
Statement of Cash Flows	47
Notes to the Annual Financial Statements	48-77
Year Wise Financial & Operating Historical Data	78-79
Categories of Shareholders	80
Details of Pattern of Shareholding	81-81
Pattern of Shareholding	83
Jama Punji Logo	84
Directors Report - Urdu	85-99
Proxy Form	100
Postal Ballot	101

Corporate Information

Governing Board

Mr. Mohammad Salim	Executive Director
Mr. Muhammad Shaheen	Non-Executive Director / Chairman
Mr. Hamza Shakeel	Non-Executive Director
Mr. Khurram Salim	Executive Director /CEO
Mr. Bilal Sharif	Non-Executive Director
Mr. Muhammad Amin	Non-Executive Director
Mrs. Saba Yousaf	Non-Executive Director
Mr. Tauqeer Ahmed Sheikh	Independent Director
Mr. Asif Elahi	Independent Director
Mr. Mustafa Tanvir	Independent Director

Chief Financial Officer

Mr. Asim Mirza	FCMA, CPA(Aust) , MBA
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Company Secretary

Mr. Mohammad Ahmed	M.A (Economics)
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Audit Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Hamza Shakeel	Member
Mr. Bilal Sharif	Member

Human Resource Committee

Mr. Tauqeer Ahmed Sheikh	Chairman
Mr. Muhammad Amin	Member
Mr. Hamza Shakeel	Member

Statutory Auditors

M/s Mushatq and Co (Chartered Accountants)
407, Commerce Centre, Hasrat Mohani Road, Karachi.

Legal Advisor

Mr. Imran Iqbal Khan - Advocate Sindh High Court

Bankers

Bank Alfalah Limited	Samba Bank Limited
Dubai Islamic Bank	United Bank Limited
Faysal Bank Ltd	Bank Islami Pakistan Ltd
Habib Bank Limited	Bank Al Habib Limited
MCB Bank Limited	Habib Metropolitan Bank Ltd
Meezan Bank Limited	National Bank of Pakistan
The Bank of Punjab	Askari Bank Ltd
Al Baraka Bank (Pak) Ltd	Pak Kuwait Investment Company (Pvt) Ltd

Share Registrar

Hameed Majeed Associated (Private) Limited
5th Floor Karachi Chamber, Karachi.

Registered Office

Umer House, 23/1, Sector 23, S. M. Farooq Road,
Korangi Industrial Area, Karachi, Pakistan
Tel : 021 35115177 - 80
Email: khioff@umergroup.com
URL : <http://www.umergroup.com>

Liaison / Correspondence Office

9th Floor, City Towers, 6-K, Main Boulevard
Gulberg - II, Lahore, Pakistan
Tel : 042 111 130 130
Email: lhroff@umergroup.com

Manufacturing Units

Spinning Unit - I is located at:
Kotri Distric Dadu, Sindh. Tel : 0223 870013

Spinning Unit - II and Weaving Unit - III are located at:
Ferozewatwan, 18-KM Sheikhpura, Punjab. Tel: 056 3731723

Spinning Unit - IV is located at:
18 KM Sheikhpura, Faisalabad Road , Sheikhpura , Punjab.



**BHANERO TEXTILE MILLS LIMITED
NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 46th Annual General Meeting of the members of **Bhanero Textile Mills Limited** will be held on Monday, 27th October 2025 at 03:00 pm at the registered office of the company i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

The following ordinary and special business is proposed to be conducted in the meeting:

Ordinary Business:

1. To confirm the minutes of the last annual general meeting held on 28th October, 2024.
2. To receive, consider and adopt the audited financial statements of the company for the year ended 30th June, 2025 together with the auditors' and directors' report thereon.

In accordance with Section 223 of the Companies Act, 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023, the financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following web link and QR enabled code:



URL: <http://www.umergroup.com/bhanero-financial-reports.html>

3. To appoint the auditors for the next term i.e. year 2025-2026 and fix their remuneration at PKR 2,600,000 (FY 2024-25: PKR 2,275,000). The retiring auditor Messer's Mushtaq and Company, Chartered Accountants, being eligible, offer themselves for reappointment.

4. Special Business:

(A) To approve by way of special resolution with or without modification the following resolutions in respect of related party transactions under the provisions of Section 208 of the Companies Act, 2017:

(i) "Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2025, be and are hereby ratified, approved and confirmed."

(ii) "Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2026.

Further Resolved That transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”

5. Any Other Business:

To transact any other business with the permission of the chairman.

The statement of material facts in relation to aforesaid special business as required under section 134(3) of the Act and SRO 423 (I)/2018 is enclosed.

The notice along with statement of material fact have been dispatched to the shareholders by post and uploaded placed on company website at “www.umergroup.com”.

Moreover, the notice and annual report for June 2025 have also been sent electronically to shareholder under the provisions of SRO 452(1)/2025 of 2025 issued by Securities and Exchange Commission of Pakistan on March 17, 2025.

Karachi:

Dated: 30th September, 2025

(By the order of the Board)

**Mohammad Ahmed
Company Secretary**

Notes:

1. For attending the meeting electronically

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, “Zoom” which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/3397286733?pwd=N2FFNXpkYkZCS213bzNVNzZZbm94UT09>

Meeting ID: 339 728 6733

Passcode: btmcorp

2. The Shares Transfer Books of the Company will remain closed from 20th October 2025 to 27th October, 2025 (both days inclusive). Transfers received in order at the registered office of the company situated at Umer House, 23/I, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 19th October 2025 will be treated in time for the purpose of entitlement of dividend (if any) and to attend the Annual General Meeting of the company.
3. Members interested to attend the virtual meeting through some other member as proxy are requested to send their proxy form (Enclosed) via email at btm.corporate@umergroup.com or at the registered office of the company not later than 48 hours before the time of holding the meeting.

4. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in annual general meeting through video-link at least seven (07) days prior to the date of meeting.

In this regard, it is requested to fill the following Form and submit at the registered address of the Company at least 10 days before holding of the Annual General Meeting:

*"I/We, _____ being a member of **Bhanero Textile Mills Limited**, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."*

Signature of Member

5. In compliance of SRO 1013(1)/2017 dated 6th September, 2017 the claimant wise details of unclaimed shares and dividends as on June 30, 2025 have been uploaded on our website: www.umergroup.com. In this regard, the said shareholders are requested to approach the Company Registered Office or Share Registrar Office regarding any unclaimed dividend, shares or modarba certificates. In case of failure to lodge the claim for unclaimed dividends that were overdue for more than 3 years within 90 days of this notice, the amount of such unclaimed dividends shall be deposited to the credit of Federal Government in accordance with the requirement of the Companies Act, 2017.
6. Under the provision of S.R.O.452(I)/2025 issued by SECP the distribution of gifts, giveaways or complimentary items are strictly prohibited at the general meeting.
7. Under the provision of S.R.O.451(I)/2025 issued by SECP to be read in conjunction with section 134 of the Companies Act 2017 , for all businesses classified as "Special Business", the voting by the members of the listed company shall only be through postal ballot and for the purpose of this there shall be no voting by show of hands by members of the listed company who attend the general meeting physically.
Further, the members who did not cast their vote through electronic voting facility and by post prior to the date of the general meeting, shall be allowed to cast his/her vote on the day of the general meeting by way of ballot paper only.

8. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) **E-Voting**

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 19th October, 2025. Thus, those members who intends to exercise their right to vote through E-Voting shall provide their valid cell numbers and email

on or before 19th October, 2025 with the registrar of the company or email us at: ["btm.corporate@umergroup.com"](mailto:btm.corporate@umergroup.com).

- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from October 24, 2025, 9:00 a.m. and shall close on October 26, 2025 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote on a resolution is casted by a Member, he / she shall not be allowed to change it subsequently.

b) Postal Ballot

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper is annexed to this notice and the same is also be downloaded from the Company's website www.umergroup.com.
 - ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Saturday, October 25, 2025 before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.
 - c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.
 - d) The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.
9. Under the provision of Section 72 of the Act, the shareholders are now required to replace their physical shares with book-entry form at earliest. Accordingly, the physical shares are now required to be converted into Book-Entry Form and kept by Shareholders in their Central Depository System (CDS) Accounts. The CDS Account can be opened and maintained by any CDC Participant {Stock Broker or CDC Investor Account Services Department (CDC IAS) of Central Depository Company of Pakistan Limited situated at Karachi, Lahore and Islamabad.

The following are key features of holding shares in book-entry form in CDC:

- Book-Entry shares cannot be lost, stolen or spoiled.
- No need for issuance of duplicate shares.
- Book-Entry shares can instantly be traded (Sell/Purchase) in Stock Market.
- No requirement of transfer deed for transfer/sale of Book-Entry shares.
- Book-Entry shares can be pledged for availing of any financing facility.
- Instant credit of Bonus and Right shares entitlements in Book-Entry form.

- 24/07 online access of CDS Accounts for reviewing portfolio information.
- Easy access of periodic Account statements of CDS Accounts.

Statement of Material Facts Under Section 134 (3) of The Companies Act, 2017

Items pertaining to 5(A)(i) of the notice for ratification and approval of the related party transactions during the year ended June 30, 2025.

The related party transactions (RPT) were carried out at arm's length during the normal course of business activity during the year ended June 30, 2025 with its associated undertaking and related parties in accordance with its corporate policy, applicable laws and regulations in compliance with the provisions of IAS 24. All the RPT reviewed and approved by the board of directors were duly placed before head of internal audit for approval, followed by the approval of audit committee

However, since common directorship exists between the related parties (by virtue of being the shareholder or common directorship), these transactions are being placed for the approval by shareholders in the Annual General Meeting. All transactions with related parties to be ratified have been disclosed in the financial statements for the year ended June 30, 2025.

The transactions entered with the related parties include, but are not limited to, sale & purchase of goods, dividends paid and received, investments and divestment made (in accordance with the approval of shareholders and board where applicable). The nature of relationship with these related parties has also been stated in the financial statements for the year ended June 30, 2025.

TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. Names, basis of relationship and transaction with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 42 are as follow:

Name	Basis of relationship	Percentage of shareholding		
Faisal Spinning Mills Limited	Common directorship	N/A		
Blessed Textiles Limited	Common directorship	N/A		
Bhanero Energy Limited	Common directorship	N/A		
Admiral (Private) Limited	Directorship of close family relative	16.46%		
Yasmin Begum	Directorship of close family relative	1.00%		
Khurram Salim	Director	2.06%		
Farrukh Salim	Directorship of close family relative	2.02%		
Yousuf Salim	Directorship of close family relative	1.67%		
Saqib Salim	Directorship of close family relative	1.71%		
Amna Khurram	Directorship of close family relative	2.44%		
Muhammad Umer	Directorship of close family relative	0.02%		
Yahyaa Farrukh	Directorship of close family relative	2.44%		
Saba Yousaf	Director	2.72%		
Saba Saqib	Directorship of close family relative	2.76%		
Samia Bilal	Directorship of close family relative	11.06%		

Nature of relationship	Nature of transactions	June 30, 2025 Rupees	June 30, 2024 Rupees
Associated undertaking	Sales of fabric	241,003,082	326,094,037
	Sales of Cotton	64,586,798	328,630
	Sales of yarn	753,478,968	997,750,134
	Purchase of yarn	547,587,905	376,688,250
	Purchase of cotton	14,900,199	35,530,084
	Purchase of fabric	138,106,391	110,506,106
	Purchase of store, spares & machinery	-	12,882,768
	Services received	618,000	618,000
	Sale of machinery	-	708,000
	Electricity purchased	10,387,053	77,832,508
	Loan received from directors and sponsors	2,500,000	31,000,000

Items pertaining to 5(A)(ii) of the notice for board authorization to approve related party transactions that will be conducted during the period July 1, 2025 to June 30, 2026.

The Company shall be entering into transactions with its related parties during the year ending June 30, 2026 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business activity. Since, there has been common directorship in the related party transactions, the Board seeks member's consent to approve such transactions with the related parties from time-to-time on case to case basis for the fiscal year ending June 30, 2026 and such transactions shall be deemed to be approved by the shareholders. The nature and scope of such related party transactions is explained above and these transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

Chairman Review Report

In accordance with the requirements under Section 192(4) of the Companies Act, 2017, the Chairman's Review Report for the financial year ended June 30, 2025, is hereby enclosed. This report sets forth the Chairman's evaluation of the overall performance and effectiveness of the Board of Directors of Bhanero Textile Mills Limited ("BTML") in fulfilling its strategic objectives and governance responsibilities.

The Board has discharged its duties in alignment with the applicable regulatory framework, including the provisions of the Companies Act, 2017, directives of the Securities and Exchange Commission of Pakistan (SECP), listing requirements of the Pakistan Stock Exchange (PSX), and the Code of Corporate Governance Regulations, 2019. Throughout the year, the Board has maintained a strong commitment to good governance practices, ensuring accountability, transparency, and the long-term sustainability of the Company.

As of mid-2025, Pakistan's economy is showing signs of cautious recovery, with particular strength in the textile sector a cornerstone of the country's export economy. The textile sector shows signs of modest recovery, with exports growing by 7.39 percent i.e from US\$ 16.65 billion in FY 2025 to US \$17.88 billion in FY 2025. This growth was propelled by strong performance in ready-made garments, knitwear, and bedwear exports. Conversely, the export of the cotton cloth fell by 3.05 percent whereas cotton yarn drastically declined by 27.76 percent.

While inflation and external debt pressures persist, improved business confidence and a rebound in industrial activity have contributed to modest economic stabilization. The textile industry continues to be the backbone of Pakistan's exports, accounting for approximately 55 percent of total export earnings.

The challenges in the form of high energy prices, inconsistent supply of energy, dearth of locally produced raw cotton, rising production cost, global environmental and compliance pressures, limited value addition, frequent changes in tax regimes, global competition, trade tariffs and high borrowing cost remains major concerns for the growth of textile sector.

The Chairman's Review Report aims to articulate the effectiveness of BTML internal control environment and risk management protocols, while providing a comprehensive overview of the corporate governance practices instituted by the Company's Board of Directors and executive management.

The Board maintains oversight of BTML adherence to recognized governance standards and continuously monitors the application of these principles to ensure transparency, accountability, and performance integrity. In fulfilling this role, the Board evaluates the effectiveness of internal systems and risk mitigation frameworks, ensuring they are robust, responsive, and aligned with the Company's strategic priorities.

Throughout the reporting period, BTML directors have conducted their responsibilities with unwavering commitment to the highest standards of ethical conduct, upholding the trust vested in them by all the stakeholders.

Risk Management Framework

BTML has established a comprehensive risk management framework aimed at systematically identifying, evaluating, and prioritizing risks while effectively minimizing, monitoring, and controlling their potential impact. This framework also seeks to harness opportunity potential through the deployment of cost-effective and well-coordinated resources.

To ensure its continued relevance and responsiveness, BTML risk management policies are subject to regular review and refinement by the Board of Directors. The Board emphasizes the integration of risk assessment into strategic decision-making processes, reinforcing organizational resilience and sustainable value creation.

Independent directors play a critical role in this process by constructively challenging management's assumptions and contributing diverse perspectives to Board deliberations. This oversight helps safeguard the integrity of governance decisions and ensures alignment with the Company's strategic direction. Furthermore, the Board conducts continuous evaluation of defined goals and objectives, closely monitoring performance metrics to assess progress and identify areas requiring corrective action.

Board Evaluation

The Chairman of BTML plays a central role in determining the strategic direction of the Company, fostering a culture of high performance, and ensuring that executive management executes operations in alignment with the Board-approved strategies, while upholding the principles of sound corporate governance.

In accordance with the requirements of the Code of Corporate Governance, the Board undergoes an annual evaluation to assess its overall effectiveness and adherence to established governance benchmarks. This assessment encompasses a comprehensive review of the Board's structure, composition, strategic oversight, and execution capabilities.

During the year under review, the Board effectively managed the affairs of the Company, demonstrating operational agility and strong financial stewardship. The evaluation results affirm that the Board continues to perform its duties with diligence, transparency, and a commitment to long-term value creation.

Stakeholder Management and Communication

BTML recognizes the importance of transparent and timely communication with its stakeholders, particularly shareholders and the investor community. To this end, the Company maintains a comprehensive and regularly updated corporate website, which serves as a central platform for disseminating information related to business performance, financial results, regulatory disclosures, notices, and corporate announcements.

In line with best practices in stakeholder engagement, BTML also conducts an annual Corporate Briefing Session, wherein key members of the executive team including the Chairman, Chief Executive Officer, Chief Financial Officer and Company Secretary provide detailed insights on the Company's historical performance, financial outlook, and strategic direction. This forum fosters dialogue, reinforces investor confidence, and underscores BTML ongoing commitment to accountability and long-term value creation.

Corporate Governance

The Board of Directors of BTML remains committed to the principles of sound corporate governance and strives for continuous improvement rather than absolute perfection. In line with applicable regulatory frameworks, the Board rigorously adheres to governance standards in all matters, particularly in the appointment of key management personnel, including the Chief Financial Officer, Company Secretary, and Head of Internal Audit, ensuring full compliance with the prescribed codes and criteria.

To safeguard the independence and effectiveness of the audit function, the Board, in collaboration with the Audit Committee, has established a well-resourced and competent internal audit department. The internal audit function reports functionally to the Audit Committee, reinforcing its objectivity and operational autonomy. The team comprises qualified professionals equipped with the necessary skills and expertise to execute their responsibilities effectively.

Furthermore, BTML Audit and Human Resource Committees are composed exclusively of non-executive directors and are chaired by independent directors, in accordance with governance best practices. This structure fosters accountability, transparency, and ethical oversight across the Company's strategic and operational dimensions.

Governing Board and Committees Structure

BTML recognizes that in today's increasingly complex and dynamic economic environment, board diversity is essential to sound governance and effective strategic oversight. At BTML, diversity is viewed as a strategic asset fostering synergy by bringing together a range of perspectives, experiences, and competencies to address both current and future challenges.

The Board is composed of ten directors, including four non-executive directors, two executive directors, three independent directors, and one female non-executive director. This composition reflects an intentional and thoughtful balance of age, gender, professional background, and governance expertise. The structure aligns with evolving global expectations on board diversity, and BTML is proud to contribute to this positive trend. All members of the Board have successfully completed certification under the Directors' Training Program (DTP) in accordance with the requirements of the Code of Corporate Governance, thereby reinforcing their capacity to discharge fiduciary and strategic responsibilities effectively.

The Board has constituted Audit and Human Resource Committees, both chaired by independent directors and comprised exclusively of non-executive directors. These committees function actively and contribute meaningfully to oversight and policy formulation. In particular, the Human Resource Committee ensures that the remuneration framework for executive directors and the Chief Executive Officer is aligned with their respective skills, responsibilities, and contributions while safeguarding the independence and objectivity of governance practices.



Muhammad Shaheen

(Chairman)

30th September 2025, Karachi.

Directors Report

The Board of Directors of Bhanero Textile Mills Limited are pleased to present Annual Report along with the audited financial statements of company together with auditors' report thereon for the year ended June 30, 2025.

Financial Recitals

The Board of Directors presents financial results of the for the year ended June 30, 2025 as under:

Statement of Profit or Loss For The Year Ended June 30, 2025

	June 30, 2025 Rupees	June 30, 2024 Rupees
Sales	32,907,546,738	33,057,244,654
Cost of sales	(30,319,406,417)	(30,023,432,811)
Gross profit	2,588,140,321	3,033,811,843
Other income	193,598,624	128,313,555
	2,781,738,945	3,162,125,398
Distribution cost	(691,835,314)	(757,124,365)
Administrative expenses	(381,672,868)	(335,713,971)
Other operating expenses	(24,656,283)	(33,376,153)
Finance cost	(1,160,308,271)	(1,866,239,907)
	(2,258,472,736)	(2,992,454,396)
Profit before Levies and taxation	523,266,210	169,671,002
Levies	(411,344,334)	(357,944,172)
Profit / (Loss) before taxation	111,921,876	(188,273,170)
Taxation	2,307,177	56,512,019
Profit / (Loss) after taxation for the year	114,229,053	(131,761,151)
Earnings / (Loss) per share - basic & diluted	37.56	(43.36)

The company showed a modest recovery and posted profit after tax of PKR 114,229,053 during the current year ending June 30, 2025 marking an improvement from the last year ending June 30, 2024 where it posted a significant loss after tax of PKR (131,761,151). The sales revenue marginally declined by 0.45 percent during the current year. The company struggled during the fiscal year to fetch better pricing due to weak global demand of textile where consumers are spending less on non-essential items like fashion and home textiles due to economic uncertainty.

The company is experiencing rising inventory levels due to slower turnover and mounting pricing pressure. Additionally, the energy cost remains elevated likewise previous year, accounting for approximately 11 percent in the total cost of sales.

We comprehend the challenges currently confronting the company and remain committed to improving our financial standing in the years to come. The board affirms that proactive measures have been implemented to address the challenges currently faced by the company.

Given the ongoing decline in both inflation and the policy rate, easing cost pressures, while reduced interest rates enables the textile sector to improve margins, support working capital requirements, carry out BMR for upgradation of machinery and invest more confidently to enhance the in exports. Despite these improvements, energy remains a heavy burden where structural reforms will be key to long-term competitiveness.

Dividends & Reserves Appropriation

The company has showed modest recovery during the current year by posting a profit after tax amounting to PKR 114.229 million during the fiscal year ending June 30, 2025 from the substantial loss after of PKR (131.761) million during the preceding year ending June 30, 2024. The EPS stood at PKR 37.56 whereas ratio of net profit after tax stood at meagre 0.35 percent.

During the year, the company is carrying high levels of inventory and trade debtors which requires working capital to sustain operations whereas volatility in raw cotton prices and rising energy costs, have significantly impacted the profit margins. The global demand for textile products has been inconsistent due to geopolitical tensions and changing trade policies, necessitating to exercise financial prudence.

Accordingly, on the recommendation of the audit committee the board has opted to retain earnings to safeguard financial stability for fiscal year ending June 30, 2025, citing caution amid prevailing global and domestic economic uncertainties.

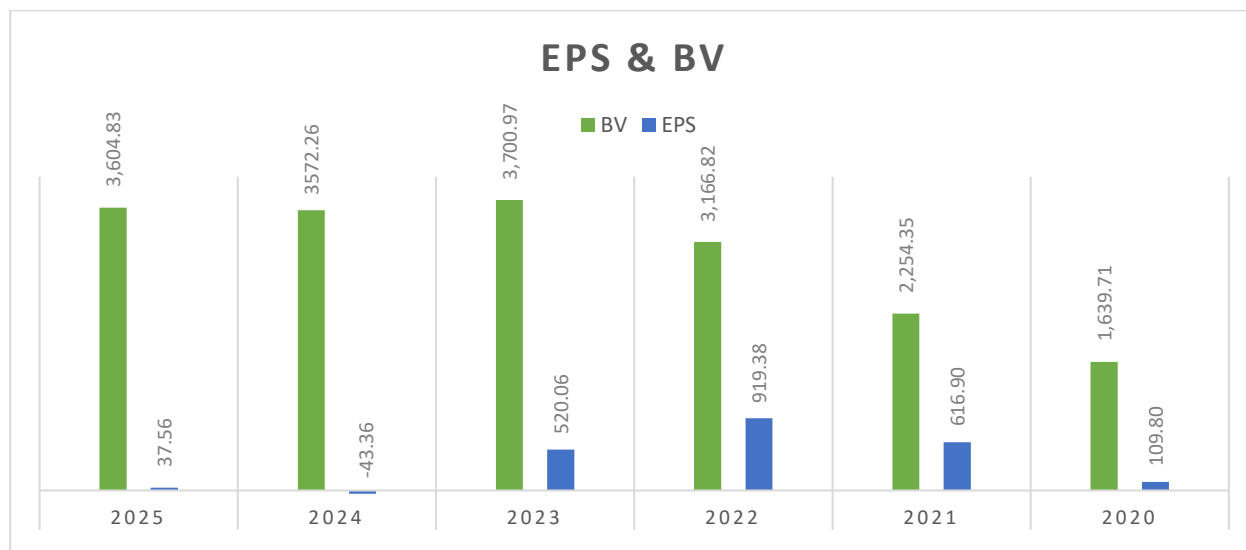
Nevertheless, the consideration will be given for the declaration of interim dividends by the board of directors depending on profitability and economic viability during the year.

Earnings per Share (EPS) and Breakup Value per Share (BVS)

Investors commonly use Earnings Per Share (EPS) as a key indicator when assessing a company's potential for future returns and overall financial stability. A higher EPS reflects stronger profitability and suggests effective utilization of investor capital. Additionally, the breakup value serves as a measure of a company's intrinsic financial soundness, helping investors gauge the underlying asset strength and liquidation potential.

The basic and diluted EPS is PKR 37.56 during the current year ending June 30, 2025 as compared to corresponding year 2024 where basic and diluted loss per share was PKR (43.36).

The BVS of share is PKR 3,604.83 (Year 2024: PKR 3,572.26) during the current year ending June 30, 2025.



Working Capital Management

The Company has instituted a vigilant monitoring framework for its assets and liabilities, ensuring optimal liquidity management to effectively meet short-term operating expenses and debt obligations.

The repayments amounting to PKR 668.245 million and PKR 1,409.377 million on account of long-term loans and debt servicing have been made during the year ended June 30, 2025. The company's short-term liquidity remains stable despite a marginal decline in the current ratio, which stands at 1.50 for the year ended 2025 (Year 2024: 1.54). This indicates the Company's continued ability to comfortably meet its short-term obligations through its current assets.

Capital Structure

The company utilizes a balanced mix of debt and equity financing to support its operational requirements and strategic investments. This approach contributes to a stable capital structure, effectively managing the company's risk profile and promoting long-term financial sustainability.

The shareholder equity at PKR 10,961.450 million during the current fiscal year ending June 30, 2025 (2024: PKR 10,863.114 million) reflecting the company's financial firmness and commitment to long-term stability.

The Company's gearing ratio decreased from 1.23 to 1.13 during the corresponding year ending June 30, 2025, indicating lower financial leverage. This level is considered reasonable and reflects low risk for a financially stable company.

Renewable Energy Initiatives

So far, the company has taken renewable energy initiatives for the installation of around 12.70 mega-watt solar energy at Karachi and Punjab Units. A further 3.85 mega-watt solar energy initiative amounting to PKR 300.00 million approximately is under consideration during the upcoming fiscal year 2025-26.

Credit Rating

The entity's rating reaffirmed at A+/A-1 (Single A Plus / A One) with 'Stable' outlook on given ratings is based on assessment by Messer's VIS Credit Rating Company Limited on January 30, 2025.

Financial Statements

The Chief Executive Officer and Chief Financial Officer presented the financial statements of the company for the year ended June 30, 2025, duly endorsed under their respective signatures, for consideration, approval, and authorization by the board of directors for issuance and circulation as required under Companies Act of 2017, listing regulations of PSX, and directives issued by the SECP.

The company's auditors, Mushtaq & Company, Chartered Accountants, have duly audited the financial statements, and they have issued a clean audit report on the financial statements for the year that ended on June 30, 2025, as well as a clean review report on the Statement of Code of Corporate Governance Regulations, 2019 ("Code"). The financial statements are annexed with these reports.

Accounting Standards

The accounting policies of the Company fully reflect the requirements of the Companies Act 2017 and such approved International Accounting Standards and International Financial Reporting Standards as have been notified under this Act as well as through directives issued by the Securities and Exchange Commission of Pakistan.

Global and Domestic Challenges of the Textile Sector

The global textile industry has been experiencing a significant slowdown and several interconnected factors are driving this trend. Among these factors like recent imposition of tariffs by the United States, the growing emphasis on sustainability and evolving trade policies across the Western world. The countries that previously depended on low labor costs are now shifting toward high-value segments, including technical textiles and environmentally responsible manufacturing practices and Pakistan is no exception to this change.

In Pakistan, soaring energy prices and elevated borrowing cost significantly eroded the profitability of the textile sector. These financial pressures are compounded by regressive fiscal policies, which have severely strained liquidity particularly for exporters operating on narrow margins. The imposition of the Captive Power Levy and delays in sales tax refunds compounded financial stress, leading to widespread factory

closures and reduced production capacity. The textile sector relies heavily on an uninterrupted and consistent energy supply to adhere with production timelines of export orders. However, the government's push to transition industries onto the national grid poses significant challenges, as the grid lacks both reliability and regular connectivity in many industrial zones.

Another critical factor is Pakistan's cotton production which declined by 30 percent year-on-year, as per PCGA only 594,000 bales reached ginning factories by July 31, 2025. This intensified financial strain on farmers, who face rising input costs and struggle to secure fair market prices. The situation is worsened by distortions under the Export Facilitation Scheme (now withdrawn), which allows duty-free imports of cotton, yarn, and fabric, while domestic output remains subject to an 18 percent sales tax undermining local producers and ginneries. Over the past decade, average yields have plunged from 802 kg to 475 kg per hectare, driven by poor seed quality, ineffective pest control and climate change.

Without a strategic shift toward sustainable practices and green technologies, the sector risks losing its competitive edge in global markets. Moreover, international climate regulations, including the European Union's Carbon Border Adjustment Mechanism (CBAM), are driving up compliance costs for exporters that fail to meet environmental standards.

Despite facing significant domestic and global headwinds, Pakistan's textile exports in FY 2024–25 recorded a resilient performance rising by 7.22 percent to reach US\$17.88 billion, up from US\$16.68 billion in the previous fiscal year FY 2023-24. While upstream segments such as cotton yarn and cloth saw notable declines, value-added products like knitwear and readymade garments posted strong growth, reflecting a shift in global demand and Pakistan's evolving export mix.

As textiles and apparel remain the backbone of Pakistan's economy, this is a need for concrete measures to secure long-term global market share hence, the government must prioritize:

- Long-term financing for renewable energy to reduce manufacturing costs and meet climate compliance standards.
- Investment in research and development to drive innovation and improve productivity.
- Market diversification strategies to reduce reliance on traditional export destinations.
- Structural reforms to eliminate inefficiencies across the supply chain.

Equally critical is the revival of cotton production, which demands urgent action to ensure the availability of high-yield, disease-resistant seed varieties. Strengthening the cotton base will reinforce the entire textile value chain and enhance export competitiveness.

Compliance with Code of Corporate Governance

The statement of compliance under regulation 36(1) for listed companies with the Code of Corporate Governance Regulations, 2019 is annexed.

Statement on Corporate and Financial Reporting Framework:

The Directors of the company are fully aware of their responsibilities under Companies Act 2017, Regulations under Code of Corporate Governance 2019 “Code”, Rule Book of the Pakistan Stock Exchange Limited and directives issued by Securities & Exchange Commission of Pakistan. As a part of the compliance to the regulators we confirm the following:

- These financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control was sound in design and has been effectively implemented and monitored.
- There were no significant doubts upon the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- We have prepared and circulated a Code of Conduct and business strategy among directors and employees.
- The Board of Directors has adopted a vision and mission statement and a statement of overall corporate strategy.
- All the directors have attended its board and general meeting either physically or through video conference unless preclude due to reasonable reason.
- All the directors are assigned with their responsibilities, roles, remuneration, powers and obligation at the commencement of their terms in accordance with Code of Corporate Governance, Companies Act and Article of Association.
- All the directors of the Company are accredited / exempted under Directors Training Program (DTP) as required by the Code of Corporate Governance Regulations, 2019.
- There has been a proper updated record of the significant policies duly approved by the board of directors on human resource, whistle blower, procurement, communication mechanism with stakeholders, related party, environment, health and safety, director's remuneration, anti-money laundering and risk management, environmental, social & governance, anti-harassment for employees duly updated by incorporating the mechanism prescribed under protection against harassment of women at workplace Act 2010 etc.
- The company has made the disclosure of gender pay gap in the overview of ESG performance by the company during the year ending June 30, 2025 as required under circular 10 of 2024 dated April 17, 2024.

- As required under Code of Corporate Governance Regulations, 2019 and Companies Act 2017 (Act), we have included the following information in this report:
 - Statement of pattern of shareholding has been given separately.
 - Statement of shares held by associated undertakings and related persons.
 - Statement of the board meetings and annual general meeting held during the year and attendance by each director has been given separately.
 - Chairman review report under the provisions of section 192(4) of the Act.
 - Statement of compliance duly signed by the chairman under regulation 36 of the Code.
- Key operating and financial statistics for last six years along with information for taxes and levies have been adequately disclosed in the annexed audited financial statements.
- The company strictly follow the guidelines issued by SECP on prohibition of insider trading for listed companies and no trading in the Company's shares was carried by its Directors, CEO, CFO, Company Secretary, Head of Internal Audit and their spouses and minor children except as disclosed in pattern of shareholding.

Pattern of Shareholding

The pattern of shareholding and relevant information thereon is annexed accordingly.

Related Party Transactions

The company adheres to the disclosure requirement under IAS 24 for Related Party Transactions (RPT) and their status are adequately disclosed in the financial statements of the company. Moreover, there is a robust policy in place for all in pursuant to the notification issued by Securities and Exchange Commission of Pakistan vide SRO 768(1)2019 and the guidelines have been duly incorporated in the company policy regarding transactions and maintenance of records.

The RPT were duly approved by the internal audit followed by the approval of the audit committee before presentation of the same in the board meeting, to ensure that all the transactions are at arm's length during the normal conduct of business activity.

All the RPT's during the current fiscal year ending June 30, 2025 will be presented before the general meeting of the company for member's approval. Similarly, the board has also decided to avail the approval of members in the general meeting of the company for the transactions to be carried during the fiscal year ending June 30, 2026 and same shall be placed before the shareholders in the next annual general meeting for their formal ratification/approval.

Board Evaluation

In accordance with Regulation 10(3)(v) of the Code of Corporate Governance, the company conducted a structured internal evaluation of the board, individual directors and committee members. The assessment identified key strengths and areas for improvement, fostering deeper engagement and encouraging directors to leverage their unique perspectives to enhance overall Board effectiveness. This evaluation is carried out annually through an internal process.

Board Composition

As required under regulation 34 of Code the board of ten (10) directors is comprised as follows;

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	2	0	2
(ii)	Non- Executive Directors	4	1	5

Board and Audit Committee Meetings

- All the directors, eligible to attend the meeting have attended the general meetings of the company in person or through video conference under Regulation 10(6) of the Code unless precluded from doing so due to any reasonable reason cause.
- Following are the number of meetings held and attended by board of directors, audit committee and human resource & remuneration committee during 2024-25:

Sr	Name of Directors	Board of Directors		Committees			
				Audit		Human Resource and Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1.	Mr. Muhammad Salim	4	4	-	-	-	-
2.	Mr. Muhammad Shaheen	4	4	-	-	-	-
3.	Mr. Khurrum Salim	4	4	-	-	-	-
4.	Mr. Bilal Sharif	4	4	6	6	-	-
5.	Mr. Muhammad Amin	4	3	-	-	1	1
6.	Mr. Hamza Shakeel	4	4	6	6	1	1
7.	Mr. Tauqeer Ahmed Sheikh	4	4	6	6	1	1
8.	Mr. Asif Elahi	4	4	-	-	-	-
9.	Mr. Mustafa Tanvir	4	4	-	-	-	-
10.	Mrs. Saba Yousaf	4	4	-	-	-	-

Audit Committee

Sr	Name	Designation	Category
i	Taquer Ahmed Sheikh	Chairman	Independent Director
ii	Hamza Shakeel	Member	Non- Executive Director
iii	Bilal Sharif	Member	Non- Executive Director

The Audit Committee (“AC”) comprised of three members, including an independent director as Chairman and two non-executive directors. The AC operates under terms of reference approved by the Board and fulfills its oversight responsibilities in accordance with Regulation 27 of the Code of Corporate Governance.

A financially literate member has been appointed in line with Regulation 27(I)(iii) for the AC. The AC met regularly during the year to review interim and annual financial statements prior to board approval along

with an additional meeting once a year with an external auditor in absence of the CFO and another with an internal auditor in absence of both the CFO and external auditor under Regulation 27(2) of Code of Corporate Governance, 2019.

The AC oversees the financial reporting and disclosure process, monitors internal controls and ensures compliance with applicable laws and regulations. It works closely with management, external and internal auditors to evaluate accounting policies and detect irregularities. The AC also plays a key role in fraud risk management by ensuring that robust policies are in place to prevent and identify financial statement fraud, asset misappropriation, and corruption. It promotes ethical conduct and effective communication across the organization, and remains informed on investigations, disciplinary actions, and compliance efforts

Human Resource and Remuneration Committee

Sr	Name	Designation	Category
i	Tauqeer Ahmed Sheikh	Chairman	Independent Director
ii	Muhammad Amin	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

The Human Resource and Remuneration Committee comprises three non-executive directors, with an independent director serving as chairman. The committee advises the board on key human resource policies, including the selection, evaluation, compensation including retirement benefits and succession planning of the CEO, CFO, and Company Secretary. It also supports senior management recruitment, training, performance evaluation and strategic human capital utilization to enhance organizational productivity and governance effectiveness

Corporate Social Responsibility Policy - CSR

CSR is a core ethos that guides the company's commitment to sustainability, ethical practices and social impact. We believe businesses have a broader duty beyond profit-making to positively influence society and the environment. The company fulfills its civic responsibilities by addressing pollution, waste management, product safety, and labor standards, while maintaining long-term relationships with stakeholders.

A comprehensive CSR policy is in place to promote economic, social and environmental sustainability. This includes reducing greenhouse gas emissions, conserving natural resources, encouraging recycling and ensuring responsible waste disposal. In response to Pakistan's energy challenges, the company has implemented solar energy initiatives across its units in Sindh and Punjab to reduce carbon emissions and support renewable energy adoption.

Health, Safety and Environment Policy - HSE

The Company's HSE policy is designed to proactively manage risks that may impact people, the environment, assets, or reputation. Through high standards and stakeholder engagement, we ensure safe working conditions that minimize accidents, illnesses, property losses, and environmental harm.

A group life insurance policy is in place for employees, along with health coverage for administrative staff in Karachi and Lahore. Environmental, health, and safety priorities are embedded across all operations and treated with equal importance to business objectives.

Key focus areas include water quality, smog control, pollution mitigation, spill prevention, land conservation, and wildlife protection. The Company continuously strives to enhance its HSE performance and uphold its commitment to sustainable and responsible operations.

Environmental, Social and Governance - ESG

The initiatives are taken by the board for the adoption of ESG guidelines by SECP.

Addressing Sustainability Risks

Sustainability risks refer to uncertain societal or environmental events that may adversely impact business operations. These risks also present opportunities arising from evolving environmental and social dynamics. Inefficient resource utilization contributes to climate change, biodiversity loss, pollution, poor health, and poverty issues that are deeply interconnected and mutually reinforcing.

The textile industry is a significant consumer of natural resources such as water, land, and fossil fuels. It ranks as the second-largest industrial water user and contributes 2-8 percent of global carbon emissions. Harmful dyeing processes, microplastic pollution from garment washing, and high landfill rates with 85 percent of textiles discarded annually further compound environmental challenges.

The company is fully committed to operating sustainably by meeting current business needs without compromising the environment or the well-being of future generations. It actively encourages customers, suppliers, employees, and stakeholders to adopt ethical and ecological practices.

The organization took following measure to mitigate the sustainability risks:

- The company installed heat recovery boilers being sustainable way to use waste heat to generate steam. These helps in reduction of carbon footprints, energy consumption and minimize the environmental impact caused during the manufacturing process.
- Since the cotton is highly combustible product the flame arrestors are mandatory for the vehicles during transportation of the raw materials or finished products. This helps in safeguarding the environment by capturing toxic pollutants and preventing them from being released into the

atmosphere and minimizing the chances of fire breakouts. The flame arrestors are required to be installed by all vehicles either connected commercially with the organization.

- The company installed Forced Drafts (FD) Fans in their boilers to maintain the optimal air-fuel ratio, improving combustion efficiency and reducing CO2 emissions in the environment.
- The company utilizes non-hazardous chemicals during the production process that are not inherently harmful to humans, local ecosystem or wildlife but still it disposed-off the same in a controlled, careful way to ensure the safety of human health and minimal effect on the environment.
- The company has built a water treatment plant for the environmental sustainability, reducing the pollution that led to problems such as diseases, death of plants and animals, and destruction of habitats. The company ensures that water has low levels of the chemical disinfectant when it leaves the treatment plant. This prevents the contamination of water bodies and helps to maintain the balance of aquatic ecosystems, safeguarding the health of plants, animals & marine life.
- The company arranges periodic plantation drives to improve air quality for employees and environment, combat climate change, preserve biodiversity, helps in reduction of air pollution & carbon emission generated during the manufacturing process. Besides, it also regulates the water cycle, prevent soil erosion and provide resources and habitats for wildlife.
- The company has installed renewable energy to fulfill energy requirements of the manufacturing process. The company ensures to utilize the energy mix in such a way that helps in reduction of greenhouse gas emissions. The installation of the solar panels will reduce the need for fossil fuels that causes problems like global warming, climate change, extreme weather, rising sea levels and adverse impact on our ecosystem.

Promoting the Diversity, Equity and Inclusion - DEI

The company is committed to fostering an inclusive environment where every individual has access to equal opportunities. As an equal opportunity employer, we cultivate a secure and productive workplace where all team members feel valued, respected and empowered to contribute their unique perspectives and abilities.

Our DEI strategy, overseen by the board which places strong emphasis on empowering all employees, with particular focus on supporting women in the workforce. Initiatives such as the establishment of a daycare facility equipped with modern amenities, flexible hours, and live video access enhance employee satisfaction, retention and productivity, while promoting inclusivity and challenging traditional gender roles.

We embrace diversity in all its forms, including gender, race, sexual orientation, cultural background and increasingly, diversity of thought. This includes recognizing neurodiversity and valuing varied life experiences to enrich our workplace with fresh idea and broader perspective.

The Company ensures fair compensation aligned with job responsibilities and performance, irrespective of race, gender, age or other personal attributes. We provide resources and support to help every employee succeed and thrive.

Inclusion is embedded in our culture where individuals feel confident to be themselves, work in ways that suit their strengths and contribute meaningfully to our business goals. We firmly believe that every person connected with our organization adds value to our collective success.

Directors Remuneration Policy

The director's remuneration policy is designed to provide fair and performance linked financial rewards, motivating directors to work efficiently and effectively. It safeguards the company's interests by ensuring just compensation aligned with individual contributions. The policy also supports the attraction and retention of qualified professionals, aligns directors' interests with those of shareholders, promotes sustainable success and discourages risk-taking that conflicts with the company's strategic objectives.

The remuneration policy is prepared under the recommendations and suggestions by human resource and remuneration committee (HRRC) to the board under the provisions of the Companies Act 2017, Companies' Article of Association and Code of Corporate Governance Regulations, 2019.

The executive directors entitled for the fixed monthly remuneration and other perquisites recommended by HRRC which were duly approved by the board and followed by the approval of members in general meeting of the company.

In pursuance of section 227(l)(a) of the Act, the following remuneration as disclosed on notes to the financial statements has been paid to the directors of the company during the current fiscal year:

- a) Mr. Khurrum Salim (CEO) - PKR 800,000/- per month.
- b) Mr. Mohammad Salim (ED) - PKR 1,000,000/- per month.

Besides, the other fringe benefits for above directors includes company-maintained vehicle with fuel, business travelling and communication expenses.

No fee or remuneration has been paid to any other directors of the company.

Statutory Auditors

The present auditor's M/s Mushtaq & Company, Chartered Accountants shall retire on the conclusion of the annual general meeting scheduled for October 27, 2025 however, being eligible they have offered themselves for re-appointment. The audit committee has suggested the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2026. The external auditor M/s Mushtaq & Company, Chartered Accountants have been given satisfactory rating

under the quality control review program of the Institute of Chartered Accountants of Pakistan. The firm and all its partner are fully complied with the International Federation of Accountants' Guidelines on the Code of Ethics as adopted by Institute of Chartered Accountants of Pakistan and they are registered with Audit Oversight Board under section 36I of SECP Act, 1997.

The statutory auditors neither performed any of the decision making, internal audit or management functions nor they have any sort of relationship with any directors or executives of the company. The engagement partners were rotated after completion of every five years.

The Board of Directors also recommended the appointment of M/s Mushtaq & Company, Chartered Accountants, as external auditor for the year ended 30th June 2026 and the remuneration of the auditors has been fixed at PKR 2,600,000/- (Year 2024-25: PKR 2,275,000/-) for the year 2025-26 as recommended by the audit committee to the board under regulation 32(3) of the Code. The assignments include statutory audit, half yearly review and code of corporate governance review.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the company have occurred between the end of financial year of the Company to which the balance sheet relates and the date of directors' report.

Acknowledgement

I extend my sincere gratitude to the governing board, esteemed shareholders, valued customers, lenders, suppliers, and all stakeholders for their continued encouragement, confidence, and unwavering support. I also express heartfelt appreciation to every employee for their dedication, resilience, and hard work in serving the organization and contributing meaningfully to its success.

For and on behalf of the Board



Khurram Salim
(Chief Executive Officer)



Mohammad Salim
(Director)

Karachi: September 30, 2025

Environmental, Social and Governance (ESG) Performance

The Securities and Exchange Commission of Pakistan (SECP) introduced significant amendments to Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 on June 12, 2024, aimed at enhancing Environmental, Social, and Governance (ESG) accountability.

SECP encourage the adoption of ESG guidelines hence, board is currently reviewing the framework to ensure necessary compliance and ensure comprehensive reporting in due course.

On behalf of the Board, I present this ESG report, reaffirming our commitment to sustainable and responsible business practices as essential for long-term success.

This report presents the ESG performance of **Bhanero Textile Mills Limited** for the year 2025. It highlights our efforts to reduce environmental impact, promote social equity, and uphold strong corporate governance. We recognize our responsibility to operate sustainably and understand the broader influence our actions have on climate, society, and ethical business practices.

Bhanero Textile Mills Limited demonstrates its commitment to quality and sustainability through multiple certifications, including OEKO-TEX® Standard, ISO 9001, Supima, BCI Cotton, USA Cotton, Inditex, GOTS, GRS, and Giza Licence. These recognitions reflect our adherence to global standards and responsible business practices. Our ESG framework spans environmental, social, and governance domains, embedding accountability into every aspect of our operations to deliver sustainable and impactful products.

Environmental

As part of our commitment towards sustainability, Bhanero Textile Mills Limited aims to reduce emissions by 30 to 40 percent over the next five years through a transition to renewable energy. A key initiative includes the installation of 9.862 megawatts of solar power at our manufacturing facilities in Sindh and Punjab, expected to reduce annual carbon emissions by 7,113 tons. This shift not only lowers our environmental footprint but also contributes to long-term operational efficiency.

To safeguard the environment, Bhanero Textile Mills Limited has installed a water treatment plant at Unit-I (Spinning and Dyeing), capable of treating 250,000 to 300,000 gallons of water daily. This initiative prevents harmful contaminants from entering natural water bodies, helping preserve aquatic ecosystems and protect the health of plants, animals and marine life.

Given the highly combustible nature of cotton, at all units of Bhanero Textile Mills Limited it's mandatory to use of flame arresters on all vehicles entering its premises. Flame arresters are installed during normal operations to prevent ignition of flammable vapors and gases, thereby minimizing the risk of fire or explosion under emergency conditions.

Bhanero Textile Mills Limited has installed six Waste Heat Recovery Boilers (WHRBs) to capture waste heat for steam generation for utilization in yarn conditioning machines. These boilers operate without natural gas or biomass, eliminating additional emissions and contributing to environmental sustainability. The system generates approximately 4,381 kW of steam per hour, significantly reducing thermal waste and environmental impact.

Social

As part of our ESG efforts, we reduce our carbon footprint, promote diversity and inclusivity, support worker health and safety, and ensure that our business practices are morally and ethically sound. We attempt to communicate with our stakeholders and pay attention to their issues in order to continuously improving and making a good impact on the places in which we operate. By providing goods with strong social values, the company aims to have a positive social influence on local communities in addition to its own workforce.

Our anti-harassment policy demonstrates our dedication to upholding a harassment-free workplace for the benefit of our workers' well-being. In our workplace, intimidation, humiliation, and sabotage of others will not be accepted. Any wilful discrimination on the grounds of age, disability, race, ethnicity, religion or sexual orientation is likewise forbidden. Considering the 2010 Protection Against Harassment of Women at the Workplace Act, the organization has a thorough harassment policy. The goal of the policy is to shield employees both men and women from sexual harassment in the workplace.

To protect children from health risks, developmental delays that could harm their moral or psychological well-being, and to prevent child labor, the company has a rigorous policy against using child labor.

There are five distinct areas where we concentrate on as part of our ESG strategy to address societal challenges are:

i) Participation in the community

The company participates with the communities in which it operates by hiring locals and pursuing philanthropic and charity endeavors. This promotes a positive image and reduces the likelihood of potential financial risks. While workers living within the mill's labor colonies receive subsidies for transportation, groceries, utilities, and meals, office staff in Karachi and Lahore receive free meals from the corporation. Additionally, the company runs a free medical facility in Sindh for the benefit of the local people, complete with a lab, an ultrasound machine, and free medications. Free consultations are available to the community from family doctors, female doctors, visiting faculty members in paediatrics and dermatologists.

ii) Employee well-being and engagement

We prioritize the health and well-being of our employees above all else, in part by putting in place initiatives like fair compensation, flexible work hours, and mental health assistance. The company has taken the initiative to construct an on-site day care at our liaison office in Lahore. This is especially beneficial to working mothers as it offers convenience and peace of mind, allowing them to focus on their professional responsibilities. Ensuring safe and healthy working environments is a crucial component of ESG initiatives. The knowledgeable and compassionate daycare workers handle a variety of problems during the day while ensuring that the kids are in a stimulating atmosphere.

Recognizing the rising cost of healthcare, Bhanero Textile Mills Limited has implemented a comprehensive health policy for employees and their families at the Karachi and Lahore offices.

Additionally, a group life insurance policy is in place for all office staff and mill workers, ensuring financial protection and well-being across the organization

iii) DEI initiatives

The company has developed policies and initiatives to promote diversity and inclusivity in the workplace, such as hiring practices, training, mentorship programs, and other areas that help increase the participation and representation of different groups of people. Additionally, the goal of equity measures is to ensure that all employees are treated equally and have equal opportunities. Among our DEI values are acknowledging that people have different challenges to conquer and not undervaluing the common ways of thinking and acting. We emphasize that our successful DEI initiatives have enabled us to build a workforce that more accurately reflects the diversity of our clientele.

iv) Social responsibility and moral behavior

Social responsibility and ethical behavior can be effectively promoted via codes of conduct, accountability, and transparency. The business actively encourages organizations to follow its internal code of conduct.

v) Corporate purpose and culture

Our employees' perception of the significance and influence of their job informs our corporate purpose, which is more than just a written tagline issued by the organization. ESG goals, including social ones, are incorporated into our business purpose to shape our workplace culture.

vi) Gender Diversity and Pay Gaps

We encourage an inclusive workplace by assuring equitable and fair representation at all organizational levels irrespective of gender discrimination. At the head office of Karachi and Lahore, women currently make up approximately 33 percent of the company's total staff. There is 5.48 percent and 9.25 percent mean and median gender pay gap however, the variation in pay is due to individual performance over time, employment tenure and specific set of skill.

Governance

The company's governance system aims to ensure moral behavior, transparency, and responsibility across the board, which is advantageous to us both strategically and morally. It improves the company's long-term prosperity, financial stability, and overall reputation. Building transparency, moral behavior, and accountability puts us in a position to grow responsibly and wins over stakeholders. Our leadership is dedicated to upholding the best standards of corporate governance, as well as any legal requirements and industry standards.

Planning for succession

In the instances where key employees or directors leave the organization, our succession planning approach guarantees a seamless transfer of ownership and leadership and prevents disruptions if any employees or directors resign, die away, or take up new opportunities. We believe that inclusion and diversity are moral prerequisites for a flourishing and long-lasting organization.

Engagement of Stakeholders

The company has demonstrated positive and collaborative interactions with both local and global stakeholders, in addition to their own initiatives. The company firmly believes that managing the social and environmental effects depends on the connections between stakeholders hence, the initiatives for stakeholder engagement are adapted rigorously across the board.

Ethical Conduct

The company has an anti-bribery and confidentiality policy that complies with legal standards, as well as a high-level ethical policy that intersects with social policy and is fully compliant with regulatory requirements. As a public interest corporation, PSX discloses all relevant information to regulatory bodies, the Federal Board of Revenue and public through the publication of quarterly and yearly financial statements as well as the disclosure of taxes put in the government treasury. For any assessments or audits on social and labor conduct, the company ensures openness and transparency by being fully compliant with the relevant local labor office, such as SESSI, PESSI, and EOBI.

The board members provide indispensable skills and knowledge to guide the company's strategic direction.

- The company values diversity and discourages all sorts of discrimination based on age or gender. The board comprised of 10 members with an appropriate mix of experience, age and gender. Presently, we have three independent directors and one female director on board along with other executive and non-executive directors. The roles CEO and chairman are performed by different individuals whereas the chair is an independent director.
- An evaluation of board and committees to the board is conducted annually in accordance with the provisions of the Code of Corporate Governance Regulations, 2019 (CCG 2019). The process to evaluate the board's performance carried out internally. The evaluation promotes a culture of responsibility, transparency, trust, and openness to improvement and constructive criticism, all of which are characteristics of a high-performing board.
- The Board of Directors and executive management provide steadfast guidance and support to enable responsible business management and strategic decision-making.
- All the members of the governing board are either certified under directors training program or exempted based on their credentials.
- The chairman to the audit and human resource committee is an independent director.
- The board reviews, updates, amends its significant policies to follow good governance for the success of the organization:
 - Risk Management & Internal Control
 - Human Resource
 - Whistle Blower

- Directors Remuneration
- Environmental, Health and Safety
- Anti-Money Laundering (AML)
- Related Party
- Anti-Harassment & Protection of Women at Workplace Act 2010 Act (Amended 2022).
- Diversity, Equity and Inclusion-(DIE)
- Environmental, Social and Governance-(ESG)
- Business Ethics

Bhanero Textile Mills Limited



Khurrum Salim
(Chief Executive Officer)
30th September, 2025

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

Bhanero Textile Mills Limited Year Ending June 30, 2025

The company has complied with the requirements of the Regulations in the following manner:-

1. The total number of directors are ten (10) as per the following,-

- a. Male : Nine (9)
- b. Female : One (1)

2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Tauqeer Ahmed Sheikh Mr. Asif Elahi Mr. Mustafa Tanvir
ii)	Non-Executive Directors - Male	Mr. Muhammad Shaheen Mr. Muhammad Amin Mr. Bilal Sharif Mr. Hamza Shakeel
iii)	Non-Executive Directors - Female	Mrs. Saba Yousaf
iv)	Executive Directors	Mr. Khurram Salim Mr. Mohammad Salim

(*) Explanation required under Regulation 6(1) of Code:

While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. The Board has arranged Directors' Training program for the following:
The entire board is accredited under directors training program.
(Name of Executive & Designation - (N/A);

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below:

(a) Audit Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Bilal Sharif	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

(b) Human Resource & Remuneration Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Muhammad Amin	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

c) Nomination Committee

The explanation stated below for not forming the nomination committee.

d) Risk Management Committee

The explanation stated below for not forming the risk management committee.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following, -

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr	Requirement	Explanation for Non-Compliance	Reg No
1	Disclosure of Significant Policies on Website	<i>The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1) however, company posts all such information adequately promotes transparency and serves the interests of all the stakeholders. The company may consider the uploading of key elements on its website if approved by the board.</i>	35
2	Significant Policies	<i>The aspects of workplace harassment for the employees are covered under the company's code of conduct. Nevertheless, the requirements introduced recently by SECP through its notification dated June 12, 2024 are being incorporated in an independent anti-harassment policy as prescribe under Protection against Harassment of Women at the Workplace Act 2010.</i>	10(4)(xvi)
3	Role of board and its members to address Sustainability Risks and Opportunities	<i>Through its notification dated June 12, 2024, the Securities and Exchange Commission of Pakistan announced several amendments to Regulation 10 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The amendments encourage board to adopt ESG practices hence, the initial steps were taken by the company to report of company's ESG performance. Since, these amendments were made during the year the management is now reviewing these amendments and necessary compliance will be carried in due course.</i>	10(A)
4	Formation of the Nomination Committee	<i>As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee. The board may consider the formation of NC at the reconstitution of the board.</i>	29(1)
5	Formation of the Risk Management Committee	<i>As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed by the Audit Committee. The board may consider the formation of RMC at the reconstitution of the board.</i>	30(1)
6	Annual Evaluation of the Board	<i>The company conducts formal and comprehensive boards and committees evaluation internally under the provision of Code of Corporate Governance Regulations, 2019 (CCG 2019). The independent evaluation may be considered by the board before expiry of three years as required under amendment made to CCG vide SRO 454(1)/2025.</i>	10(3)(5)

For and on behalf of the Board



MUHAMMAD SHAHEEN

(Chairman)

September 30, 2025, Karachi

Independent Auditor's Review Report

To the members of Bhanero Textile Mills Limited on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Bhanero Textile Mills Limited** for the year ended June 30, 2025 in accordance with the requirements of regulation 36 of the Regulations.


The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Place: Lahore
Dated: September 30, 2025
UDIN: CR202510724ZyaR349ih


MUSHTAQ & CO.
Chartered Accountants



Engagement Partner:
Nouman Arshad, ACA

Independent auditor's report to the members of Bhanero Textile Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Bhanero Textile Mills Limited (the Company)**, which comprise the statement of financial position as at June 30, 2025 and the statement of profit or loss, the statements of other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:

S. No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Stock in Trade</p> <p>Refer to note 3.13 & 22 to the financial statements.</p> <p>We identified this area as a key audit matter because inventories</p>	<p>Our key audit procedures in this area amongst others included the following;</p> <p>- Observed physical inventory count procedures and compared on a sample basis, physical count with inventory</p>

	<p>constitute significant portion of total assets of the Company.</p> <p>Further, determining an appropriate write down as a result of net realizable value (NRV) and provision for slow moving inventories involves management judgment and estimation.</p>	<p>sheets.</p> <ul style="list-style-type: none"> - Compared on sample basis specific purchases and directly attributable cost with underlying supporting documents. - Checked overhead absorption rates at different stages of production to ascertain valuation of work in process and finished goods. - Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards. - Assessed the provision for slow moving stock as at the year end and assessed whether it is in accordance with the Company's policies and relevant accounting and reporting standards. - Considered adequacy of the related disclosures and assessed whether these are in accordance with the applicable accounting and financial reporting.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Nouman Arshad, ACA**.

Mushtaq & Co.
MUSHTAQ & CO.
Chartered Accountants



Lahore.
Dated: September 30, 2025
UDIN: AR202510724Zbe3U48IT

**Statement of Financial Position
As at June 30, 2025**

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees		Note	June 30, 2025 Rupees	June 30, 2024 Rupees
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON CURRENT ASSETS			
Authorized capital				Property, plant and equipment			
6,000,000 (2024: 6,000,000) ordinary shares of Rs.10 each				Long term deposits			
		60,000,000	60,000,000				
Issued, subscribed and paid up capital	5	30,409,640	30,409,640				
Reserves	6	9,108,598,461	9,108,598,461				
Loan from directors and sponsors	7	183,118,200	180,618,200				
Unappropriated profit		1,640,029,176	1,543,487,381				
		10,962,155,477	10,863,113,682				
NON CURRENT LIABILITIES				CURRENT ASSETS			
Long term financing - secured	8	2,988,011,357	3,300,067,962				
Staff retirement benefits	9	413,323,013	342,151,723				
Deferred taxation	10	-	-				
Deferred government grant	11	558,708,185	731,949,939				
		3,960,042,555	4,374,169,624				
CURRENT LIABILITIES							
Trade and other payables	12	3,117,714,669	2,462,664,394				
Unclaimed dividend	13	1,831,650	1,831,650				
Accrued markup / interest	14	82,354,892	331,423,890				
Short term borrowings - secured	15	7,908,084,420	7,770,606,030				
Current portion of long term financing	16	892,828,966	861,131,886				
Provision for taxation	17	-	-				
		12,002,814,597	11,427,657,850				
CONTINGENCIES AND COMMITMENTS							
	18						
TOTAL EQUITY AND LIABILITIES		26,925,012,629	26,664,941,156	TOTAL ASSETS		26,925,012,629	26,664,941,156

The annexed notes from 1 to 53 form an integral part of these financial statements.



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

**Statement of Profit or Loss
For The Year Ended June 30, 2025**

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Sales - Net	30	32,907,546,738	33,057,244,654
Cost of sales	31	(30,319,406,416)	(30,023,432,811)
Gross profit		2,588,140,322	3,033,811,843
Other income	32	193,598,624	128,313,555
		2,781,738,946	3,162,125,398
Distribution cost	33	(691,835,314)	(757,124,365)
Administrative expenses	34	(381,672,868)	(335,713,971)
Other operating expenses	35	(24,656,283)	(33,376,153)
Finance cost	36	(1,160,308,271)	(1,866,239,907)
		(2,258,472,736)	(2,992,454,396)
Profit before Levies and taxation		523,266,210	169,671,002
Levies	37.1	(411,344,334)	(357,944,172)
Profit / (Loss) before taxation		111,921,876	(188,273,170)
Taxation	37.3	2,307,177	56,512,019
Profit / (Loss) after taxation		114,229,053	(131,761,151)
Earnings / (Loss) per share - basic & diluted	38	37.56	(43.36)

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

**Statement of Comprehensive Income
For The Year Ended June 30, 2025**

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Profit / (Loss) after taxation		114,229,053	(131,761,151)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be reclassified subsequently to profit or loss			
Actuarial loss on remeasurement of employees retirement benefits - gratuity	9.2	(17,687,258)	(32,602,984)
Related deferred tax on remeasurement of employees retirement benefits - gratuity		-	-
		(17,687,258)	(32,602,984)
Total comprehensive Income / (Loss) for the year		96,541,795	(164,364,135)

The annexed notes from 1 to 53 form an integral part of these financial statements.

**CHIEF EXECUTIVE****DIRECTOR****CHIEF FINANCIAL OFFICER**

**Statement of Changes in Equity
For The Year Ended June 30, 2025**

	Share capital	Capital Reserve		Revenue Reserves		Loan from directors and sponsors	Total
		Share Premium	Reserve for issue of shares	General reserve	Unappropriated profits		
Rupees							
Balance as at June 30, 2023	30,000,000	-	109,008,101	9,000,000,000	1,814,285,256	149,618,200	11,102,911,557
Total comprehensive loss for the year							
Loss for the year	-	-	-	-	(131,761,151)	-	(131,761,151)
Other comprehensive loss	-	-	-	-	(32,602,984)	-	(32,602,984)
Transactions with owners:							
Final dividend paid for the year ended June 30, 2023 at the rate of PKR 35 per share	-	-	-	-	(106,433,740)	-	(106,433,740)
Loans from directors and sponsors received during the year	-	-	-	-	-	31,000,000	31,000,000
Shares issued against scheme of management	409,640	108,598,461	(109,008,101)	-	-	-	-
Balance as at June 30, 2024	30,409,640	108,598,461	-	9,000,000,000	1,543,487,381	180,618,200	10,863,113,682
Total comprehensive income for the year							-
Profit for the year	-	-	-	-	114,229,053	-	114,229,053
Other comprehensive loss	-	-	-	-	(17,687,258)	-	(17,687,258)
Loans from directors and sponsors received during the year	-	-	-	-	-	2,500,000	2,500,000
Balance as at June 30, 2025	30,409,640	108,598,461	-	9,000,000,000	1,640,029,176	183,118,200	10,962,155,477

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Statement of Cash Flows
For The Year Ended June 30, 2025

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before Levies and taxation		523,266,210	169,671,002
Adjustments for:			
Depreciation on property, plant and equipment		862,160,149	867,159,859
Provision for staff retirement benefits - gratuity		117,870,142	106,964,102
Provision for expected credit losses		1,614,061	1,467,371
Gain on disposal of property, plant and equipment		(2,268,208)	(5,473,099)
Finance cost		1,160,308,271	1,866,239,907
Operating cash flows before changes in working capital		2,662,950,625	3,006,029,142
Working capital changes			
(Increase) / decrease in current assets			
Inventories		(245,267,388)	491,237,499
Trade debts		(42,045,887)	(1,076,213,962)
Loans and advances		(2,368,928)	95,172,683
Trade deposits		(595,185,555)	(16,480,413)
Other receivables		(34,800,735)	55,599,304
Sales tax refundable		62,162,229	420,597,899
		(857,506,264)	(30,086,990)
Increase in trade and other payables		655,050,275	418,028,420
Cash generated from/ (used in) operations		2,460,494,636	3,393,970,572
Finance cost paid		(1,409,377,269)	(1,821,068,656)
Staff retirement benefits - gratuity paid		(64,386,110)	(60,644,400)
Income taxes and levies paid		(572,131,585)	(424,254,060)
Long term deposits		-	(21,586,060)
		(2,045,894,964)	(2,327,553,176)
Net cash generated from/ (used in) operating activities		414,599,672	1,066,417,396
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		11,242,623	20,087,737
Additions in property, plant and equipment		(676,754,871)	(762,551,355)
Net cash (used in) investing activities		(665,512,248)	(742,463,618)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(668,245,279)	(481,080,862)
Proceeds from long term financing		214,644,000	171,160,195
Proceeds of loan from directors and sponsors		2,500,000	31,000,000
Short term borrowings - net		137,478,390	448,734,614
Dividend paid		-	(106,324,739)
Net cash (used in) / generated from financing activities		(313,622,889)	63,489,208
Net (decrease) / increase in cash and cash equivalents		(564,535,465)	387,442,986
Cash and cash equivalents at the beginning of the year		736,372,277	348,929,291
Cash and cash equivalents at the end of the year	29	171,836,812	736,372,277

The annexed notes from 1 to 53 form an integral part of these financial statements.



CHIEF EXECUTIVE

Annual Report 2025



DIRECTOR

Bhanero Textile Mills Ltd



CHIEF FINANCIAL OFFICER

47

Notes to the financial statements**For the year ended June 30, 2025****1 THE COMPANY AND ITS OPERATIONS**

1.1 Bhanero Textile Mills Limited (the Company) was incorporated on 30th March 1980 as a public limited company in Pakistan under repealed Companies Ordinance, 1984 now the Companies Act, 2017 and is quoted on Pakistan Stock Exchanges Limited. The registered office of the Company is located at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area Karachi.

1.2 The company is principally engaged in manufacturing and sales of yarn and fabric. The production facilities are located at Kotri, District Dadu in the province of Sindh and Feroze Wattwan, District Sheikhpura in the province of Punjab.

2 Basis of Preparation**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention except for certain financial instruments at fair value, employees retirement benefits and obligations for TERF is stated at present value. In these financial statements, except for cash flow statements, all transactions have been accounted for on accrual basis.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the company's functional currency. All financial information presented in Pakistan Rupees has been rounded off to the nearest Rupee.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- Computation of deferred tax and estimation of income tax provisions.
- Measurement of defined benefit obligation.
- Estimation of provisions and contingent liabilities.
- Useful lives, residual values and depreciation method of property, plant and equipment.
- Impairment of non-financial assets and financial assets.
- Provision for stores and spares and stock in trade.

Judgements made by the management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year.

2.5 Standards, interpretations and amendments to published approved accounting standards

2.5.1 There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2024. However, these do not have any significant impact on the Company's financial statements except as disclosed in note 3 to these financial statements.

Notes to the financial statements**For the year ended June 30, 2025****2.5.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the company:**

		Effective date (annual reporting periods beginning on or after)
IAS 21	The Effects of Changes in Foreign Exchange Rates (Amendments)	January 1, 2025
IFRS 7	Financial Instruments: Disclosures (Amendments)	January 1, 2026
IFRS 9	Financial Instruments: Classification and Measurement (Amendments)	January 1, 2026
IFRS 17	Insurance Contracts	January 1, 2026
Annual improvements to IFRS 7, IFRS 9, IFRS 10 (Consolidated Financial Statements) and IAS 7 (Statement of Cash Flows)		January 1, 2026

2.5.3 The above standards, amendments to approved accounting standards and interpretations are not likely to have any material impact on the Company's financial statements.

2.5.4 Other than the aforesaid standards, interpretations and amendments, International Accounting Standards Board (IASB) has also issued the following standards and interpretation, which have not been notified locally or declared exempt by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2025;

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRIC 12	Service concession arrangements
IFRS 18	Presentation and Disclosures in Financial Statements
IFRS 19	Subsidiaries without Public Accountability: Disclosures

3 Material Accounting Policy Information**3.1 Borrowings**

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss over the period of the borrowings on an effective interest basis.

3.2 Employee benefits**Post retirement benefits****Defined benefit plans**

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Liability is adjusted annually to cover the obligation and the adjustment is charged to statement of profit or loss. The determination of the Company's obligation under the scheme requires assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration, expected average remaining working lives of employees and discount rate used to derive present value of defined benefit obligation.

There is risk that the final salary at the time of cessation of service is greater than what the entity has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Amounts recognized in the statement of financial position represent the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

Actuarial gains and losses are recognized in statement of comprehensive income for the period in which these arise.

3.3 Taxation

Income tax expense comprises of current tax and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rates enacted or substantively enacted by the reporting date, and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any, or minimum of turnover. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the statement of financial position liability method providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes after considering, the average effective rate of tax / enacted tax rate and the amounts used for tax purposes. The Company's policy is to measure deferred tax using the average effective tax rate rather than the enacted / notified tax rate. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is not recognized for timing differences that are not expected to reverse and for the temporary differences arising from the initial recognition of goodwill and initial recognition of assets and liabilities in a transaction that is not a business combination and that at the time of transaction affects neither the accounting nor the taxable profit.

Levies

The tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income, which is not adjustable against the future tax liability, is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 21/IAS 37.

3.4 Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized and carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoices to the company.

3.6 Dividend

Dividend is recognized as a liability in the period in which it is approved by shareholders.

3.7 Property, plant and equipment and depreciation**Owned assets**

Property, plant and equipment, except freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land and capital work-in-progress are stated at cost.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is charged to expense on reducing balance method over its estimated useful life at the rates specified in property, plant and equipment note except for equipment and other assets. Equipment and other assets are depreciated over the period of three years. Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalized while no depreciation is charged for the month in which the item is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is material.

The gain or loss on disposal of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Impairment

Where the carrying amount of asset exceeds its estimated recoverable amount it is written down immediately to its recoverable amount.

Notes to the financial statements**For the year ended June 30, 2025****Leased assets****Recognition**

The Company recognizes a right-of-use asset and a lease liability at the commencement date. A commencement date is the date on which the lessor makes an underlying asset available for use by the lessee (the Company). The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of all underlying assets that have a lease term of 12 months or less and leases for which the underlying asset, when new, is of low-value as per the threshold set by the Company. The Company recognizes the lease payments associated with these leases as an expense on straight-line basis over the lease term.

Initial measurement**Lease liability**

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid. The lease payments are discounted using the interest rate implicit in the lease, or the Company's incremental borrowing rate if the implicit rate is not readily available. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments comprise fixed payments less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable by the Company under residual value guarantees; the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

Right-of-use asset

The Company initially measures the right-of-use asset at cost. This cost comprises the amount of lease liability as initially measured, plus any lease payments made on or before the commencement date, less lease incentives received, initial direct costs and estimated terminal costs (i.e. dismantling or other site restoration costs required by the terms and conditions of the lease contract).

Subsequent measurement**Lease liability**

After the commencement date, the Company re-measures the lease liability to reflect the affect of interest on outstanding lease liability, lease payments made, reassessments and lease modifications etc. Variable lease payments not included in the measurement of the lease liability and interest on lease liability are recognized in the statement of profit or loss account, unless these are included in the carrying amount of another asset.

Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate implicit in the lease to achieve a constant rate of interest on the remaining balance of the liability.

Right-of-use asset

After the commencement date, the Company measures the right-of-use asset at cost less accumulated depreciation and accumulated identified impairment losses, if any, adjusted for any remeasurement of the lease liability.

The Company depreciates the cost of right-of-use asset, net of residual value, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. However, if the lease contract transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise the purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset.

Ijarah contracts

Payments made under ijarah contract are charged to the statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

3.8 Capital work in progress

Capital work in progress and stores held for capital expenditure are stated at cost and represents expenditure incurred on property, plant and equipment during construction and installation. Cost includes borrowing cost as referred in accounting policy of borrowing cost. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

3.9 Financial assets and liabilities**Financial assets**

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Notes to the financial statements**For the year ended June 30, 2025****Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value and subsequent to initial recognition changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Derecognition

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial Liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

3.10 Impairment**Financial Assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets. The Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the financial statements**For the year ended June 30, 2025****Non-Financial Assets**

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.11 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are set off and only the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amount and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.12 Stores and spares

Stores and spares are valued at lower of cost and net realizable value. Cost is determined on a weighted average basis. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

3.13 Stock-in-trade

Stock-in-trade is stated at the lower of cost and net realizable value except waste which is valued at net realizable value. Cost is determined as follows.

Raw material	At weighted average cost
Work in progress	At average manufacturing cost
Finished goods	At average manufacturing cost
Waste	Net realizable value

Valuation of raw material, work in process and finished goods as on 30th June 2025 have been valued at lower of cost and net realizable value as per the requirement of IAS 2.

Raw material in transit is stated at invoice price plus other charges paid thereon upto the statement of financial position date.

Average manufacturing cost in relation to work in process and finished goods, consist of direct material and proportion of manufacturing overheads based on normal capacity.

Net realizable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

3.14 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and balances with bank for the purpose of cash flow statement.

3.16 Revenue recognition

According to the core principles of IFRS-15, the company recognizes the revenue from sale when the company satisfies a performance obligation (at a point of time) by transferring promised goods to customers being when the goods are dispatched to customers. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts.

Interest income is recognized on the basis of constant periodic rate of return.

Dividend income is recognized when the right to receive dividend is established i.e. the book closure date of the investee company declaring the dividend.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through other comprehensive income' are included in other comprehensive income in the period in which they arise.

Unrealised gains / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in profit or loss in the period in which they arise.

Notes to the financial statements**For the year ended June 30, 2025****3.17 Borrowing costs**

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date, the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit or loss account currently.

3.18 Foreign currency translation

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are retranslated into Pak Rupees at the rates of exchange prevailing at the statement of financial position date.

Exchange differences, if any, are taken to profit or loss account.

3.19 Transactions with related party

Transactions with related parties are priced at comparable uncontrolled market price. All transactions involving related parties arising in the normal course business are conducted at arm's length using valuation modes, as admissible. Parties are said to be related when they meet the definition as provided in the Companies Act, 2017.

3.20 Segment reporting

Segment reporting is based on the operating (business) segments of the company. An operating segment is a component of the company that engages in a business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. An operating segment's operating results are reviewed by the CEO to make decision about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results that are reported to the CEO includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprises mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the period to acquire property , plant and equipment.

The business segments are engaged in providing products and services which are subject to risks and rewards which differ from the risk and reward of other segment. Segments reported are Spinning, Weaving and Power Generation, which also reflects the management structure of company.

3.21 Deferred Government Grant

In accordance with IFRS 9 the benefit of interest rate lower than the market rate on borrowings obtained under State Bank of Pakistan (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of the entity and temporary economic refinance facility, is accounted for as a government grant which is the difference between amount of loan received and the fair value of the loan on the date of disbursement. The differential amount presented in statement of financial position as deferred government grant. The amortisation of deferred government grant is netted off with finance cost within the statement of profit or loss.

4 Capital Management

The company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of directors monitors the return on capital and level of dividends to ordinary shareholders. The company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. There were no changes in the company's approach to capital management during the year. Further, the company is not subject to externally imposed capital requirements.

Bhanero Textile Mills Limited
Notes to the Financial Statements
For The Year Ended June 30, 2025
5 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

June 30, 2025	June 30, 2024	Note	June 30, 2025	June 30, 2024
Number of shares			Rupees	Rupees
1,762,500	1,762,500	Ordinary shares of PKR 10 each allotted for consideration'- fully paid in cash	17,625,000	17,625,000
1,237,500	1,237,500	Ordinary shares of Rs 10. each allotted as bonus shares	12,375,000	12,375,000
40,964	40,964	Ordinary shares of PKR 10 each allotted for scheme of arrangement	409,640	409,640
<u>3,040,964</u>	<u>3,040,964</u>		<u>30,409,640</u>	<u>30,409,640</u>

5.1 Associated company holds 500,600 (2024: 500,600) ordinary shares of Rs. 10 each in the company.

5.2 The shareholders' are entitled to receive all distributions to them including dividend and other entitlements in the form of bonus and right shares as and when declared by the company. All shares carry "one vote" per share without restriction.

6 RESERVES

General reserve - Revenue reserve	6.1	9,000,000,000	9,000,000,000
Share premium	6.2	108,598,461	108,598,461
		<u>9,108,598,461</u>	<u>9,108,598,461</u>

6.1 General reserve is primarily a revenue reserve being maintained to have adequate resources for future requirements and business operations.

6.2 This represents premium arising on issue of shares to shareholders of Bhanero Energy Limited against scheme of arrangement entered into during previous year. This reserve can be utilized by the company only for the purposes specified in section 81 of the Companies Act, 2017.

7 LOAN FROM DIRECTORS AND SPONSORS

Directors and sponsors had entered into a contract with the Company to finance equity portion i.e. land, building and local components of plant & machinery of new manufacturing unit division. As per contract, the loans are unsecured, interest free and repayable at the discretion of the Company. The loan is presented under equity as per Technical Release-32 of The Institute of Chartered Accountants of Pakistan.

8 LONG TERM FINANCING - SECURED
From Financial Institutions

	Limit	Rate	Repayments	Frequency	Security	June 30, 2025	June 30, 2024
						Rupees	Rupees
Bank Al Habib Limited							
LTFF	27.6 M	SBP LTFF rate + 0.4% (2024: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 20 February 2019 and ending on 20 January 2028.	Quarterly	Hypothecation charge over plant and machinery of PKR 54 million of unit III located at Ferozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	8,984,375	12,434,375
	17.5 M	SBP LTFF rate + 1.5% (2024: SBP LTFF rate + 1.5%)	32 equal quarterly installments commencing from 22 July 2022 and ending on 22 April 2030.	Quarterly		10,940,000	13,128,000
						<u>19,924,375</u>	<u>25,562,375</u>

MCB Bank Limited

LTFF	900 M	SBP LTFF rate + 0.4% (2024: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 30 April 2019 and ending on 05 February 2030.	Quarterly	Hypothecation charge on plant and machinery of PKR 1,351 million of unit II located at Ferozwatton, Sheikhupura-Faisalabad Road, Sheikhupura.	254,019,849	332,780,473
	400M	SBP LTFF rate + 0.4% (2024: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 06 May 2022 and ending on 07 February 2030.	Quarterly		211,300,577	256,188,813
	65 M	SBP LTFF rate + 0.4% (2024: SBP LTFF rate + 0.4%)	32 equal quarterly installments commenced from 19 February 2022 and ending on 07 November 2032.	Quarterly		26,700,486	32,633,926
Demand Finance	182 M	3M Kibor rate + 0.4% (2024: 3M Kibor rate + 0.4%)	32 equal quarterly installments commenced from 28 November 2024 and ending on 07 November 2032.	Quarterly		165,468,747	182,000,000
	325 M		16 equal quarterly installments commencing from 27 April 2026 and ending on 28 January 2030.	Quarterly		214,644,000	-
						<u>872,133,659</u>	<u>803,603,212</u>

Bhanero Textile Mills Limited
Notes to the Financial Statements
For The Year Ended June 30, 2025

ended June 30, 2025		Limit	Rate	Repayments	Frequency	Security	June 30, 2025	June 30, 2024
							Rupees	Rupees
Bank Al Falah Limited								
Renewable energy finance	87.04 M	SBP rate + 4% (2024: 3M Kibor + 4%)	39 equal quarterly installments commencing from 3 December 2024 and ending on 03 June 2034	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 118 million.	80,347,674	87,043,500	
							80,347,674	87,043,500
Faysal Bank Limited								
TERF	1600 M	SBP TERF rate + 0.60% (2024: SBP TERF rate + 0.60%)	32 equal quarterly installments commencing from 06 October 2023 and ending on 22 November 2031.	Quarterly	Hypothecation charge over plant and machinery of PKR 2,294 million of unit III located at Ferozwatton, Sheikhpura-Faisalabad Road, Sheikhpura.	1,041,870,903	1,171,892,814	
LTFF	113 M	SBP LTFF rate + 0.60% (2024: SBP TERF rate + 0.60%)	32 equal quarterly installments commencing from 14 April 2024 and ending on 14 January 2031.	Quarterly		95,707,083	109,885,907	
							1,137,577,986	1,281,778,721
National Bank Limited								
LTFF	2700 M	SBP LTFF rate + 1.25% (2024: SBP LTFF rate + 1.25%)	32 equal quarterly installments commencing from 7 July 2024 and ending on 27 July 2032.	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 3,600 million.	17,225,225	19,693,225	
DF		3 Month KIBOR + 1.25% (2024: 3 Month KIBOR + 1.25%)	32 equal quarterly installments commencing from 21 September 2024 and ending on 31 December 2032.	Quarterly		447,494,698	481,299,468	
TERF		SBP TERF rate + 1.25% (2024: SBP TERF rate + 1.25%)	32 equal quarterly installments commencing from 08 December 2023 and ending on 23 February 2032.	Quarterly		1,058,124,559	1,185,215,885	
							1,522,844,482	1,686,208,578
Allied Bank Limited								
Renewable energy finance	100 M	SBP rate + 3% (2024: SBP rate + 3%)	27 equal quarterly installments commencing from 03 October 2024 and ending on 03 april 2031	Quarterly	Hypothecation charge over fixed assets of the Company amounting to PKR 134 million.	74,770,396	84,116,695	
							74,770,396	84,116,695
							3,707,598,572	3,968,313,081
							(719,587,215)	(668,245,119)
							2,988,011,357	3,300,067,962
Less: current maturity shown under current liabilities								

Less: current maturity shown under current liabilities

9 STAFF RETIREMENT BENEFITS

Staff retirement benefits - gratuity

9.1 Movement in net liability recognized in the statement of financial statement

Present value of defined benefits obligation - at the beginning of the year
Charged to profit or loss account and comprehensive income
Benefits paid during the year
Present value of defined benefits obligation - at the end of the year

Note

9.1

9.2

June 30, 2025	June 30, 2024
Rupees	Rupees
413,323,013	342,151,723
413,323,013	342,151,723
342,151,723	263,229,037
135,557,400	139,567,086
(64,386,110)	(60,644,400)
413,323,013	342,151,723
83,154,431	72,273,929
34,715,711	34,690,173
17,687,258	32,602,984
135,557,400	139,567,086

9.3 The company operates an unfunded gratuity scheme (defined benefit plan) for all its permanent employees who have completed minimum qualifying period of service as defined under the respective scheme. Provisions are made annually to cover the obligation under the scheme on the basis of actuarial valuation and are charged to income. Actuarial valuation has been carried out by independent valuer as at June 30, 2025 using the projected unit credit method assuming a discount rate of 11.75% (2024: 14.75%) per annum and expected rate of increase in salaries at 10.75% (2024: 13.75%) per annum.

9.4 There is no unrecognized actuarial loss / gain.

Bhanero Textile Mills Limited				
Notes to the Financial Statements				
For The Year Ended June 30, 2025				
9.5	Historical information			
		2024 Rupees	2023 Rupees	2022 Rupees
	Present value of defined benefits obligation	342,151,723	263,229,037	208,934,489
	Experience adjustments on plan liabilities	32,602,984	23,168,777	1,051,556
				8,712,867
9.6	Sensitivity analysis of actuarial assumptions			
	The calculation of defined benefit obligation is sensitive to assumptions given above. The below information summarizes how the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of change in respective assumptions by 100 basis point.			
			Increase in assumption	Decrease in assumption
	Discount rate		(13,101,392)	13,734,705
	Expected rate of increase in future salary		13,734,705	(13,334,504)
9.7	The expected gratuity expense comprising of service cost and net interest for the year ending 30th June 2026 works out to PKR 136,992,469.			
9.8	The average duration of defined benefit obligation is 5 years.			
10	DEFERRED TAXATION	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
	Deferred tax liability on taxable temporary differences	10.1	-	-
	Deferred tax asset on deductible temporary differences	10.1	-	-
			-	-
10.1	Deferred taxation			
	Deferred tax liability / (assets) arising in respect of:			
			2025	
			As at July 01 2024	Recognized in profit or loss
			Recognized in other comprehensive income	As at June 30, 2025
	Taxable temporary differences			
	Accelerated tax depreciation on owned assets		-	-
			-	-
	Deductible temporary differences			
	Provision for employee benefit		-	-
	Provision for doubtful debts and advances		-	-
	Unused tax losses and tax credits		-	-
			-	-
			-	-
			2024	
			As at July 01 2023	Recognized in profit or loss
			Recognized in other comprehensive income	As at June 30, 2024
	Taxable temporary differences			
	Accelerated tax depreciation on owned assets		-	-
			-	-
	Deductible temporary differences			
	Provision for employee benefit		-	-
	Provision for doubtful debts and advances		-	-
			-	-
			-	-
10.1.2	Deferred tax on temporary differences is not recognized for the year as effective tax rate is zero as per guidance issued by ICAP.			
11	DEFERRED GOVERNMENT GRANT	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
	Deferred Government grant	11.1	558,708,185	731,949,939
			558,708,185	731,949,939
11.1	Deferred Revenue - Government Grant			
	Balance at beginning of year		924,836,706	1,139,216,841
	Amortization during the year		(192,886,770)	(214,380,135)
			731,949,936	924,836,706
	Less: current portion		(173,241,751)	(192,886,767)
	Balance at the end of the year		558,708,185	731,949,939
11.1.1	The Company had availed long term financing from Faysal Bank Limited and National Bank of Pakistan under "SBP Temporary Economic Refinance Facility" for additions of new plant & machinery. The facility carries mark-up at State Bank of Pakistan (SBP) rate 1% plus bank's spread ranging from 0.60% per annum to 1.25% per annum starting from the date of disbursement and are payable in arrears on quarterly basis. The loans have been measured at its fair value in accordance with IFRS 9 (Financial Instruments) using market rates at SBP approval dates of each tranche. The difference between fair value of loan and loan proceeds has been recognized as deferred grant as per requirements of IAS 20 (Accounting for Government Grants and Disclosure of Government Assistance) and as per selected opinion issued in November 2020 by the Institute of Chartered Accountants of Pakistan.			
12	TRADE AND OTHER PAYABLES			
	Creditors		1,452,560,522	1,036,170,472
	Contract liabilities	12.1	10,326,010	26,069,747
	Road Infrastructure cess payable	12.2	854,841,507	558,694,482
	Gas Infrastructure cess payable	12.3	60,396,490	60,396,490
	Accrued liabilities		652,019,483	497,824,606
	Workers' Profit Participation Fund	12.4	23,042,222	10,269,699
	Sales tax payable		-	21,870,369
	Workers Welfare Fund	12.5	-	204,732,052
	Others		64,528,435	46,636,477
			3,117,714,669	2,462,664,394
12.1	Advance received from customer is recognised as revenue when the performance obligation in accordance with the policy is satisfied. Revenue for an amount of Rs. 24,673,629 (2024: Rs. 26,035,191) has been recognised in current year in respect of advances from customers at the beginning of period.			

		June 30, 2025 Rupees	June 30, 2024 Rupees
12.2 Movement in net liability recognized in the statement of financial position	Note		
Balance at beginning of the year		558,694,482	384,156,295
Accrued for the year		296,147,025	174,538,187
Balance at the end of the year		<u>854,841,507</u>	<u>558,694,482</u>
Sindh Infrastructure Cess was levied by Excise and Taxation Officer ['ETO'] Government of Sindh on movement of imported goods entering the Sindh Province from outside Pakistan and Punjab Infrastructure Tax levied by ETO Government of Punjab on movement of imported goods entering the Punjab Province from outside Pakistan. The Company has filed petition in Lahore High Court against levy by ETO Government of Punjab. The Company has also filed petitions in Supreme Court of Pakistan and obtained stay on the recovery of levy ETO Government of Sindh. During the pendency of final judgement on this, the Honorable Courts granted stay have directed the petitioners to arrange bank guarantees in favour of ETOS.			
12.3 Movement in liability recognized in the statement of financial position			
Balance at beginning of the year		60,396,490	60,396,490
Paid during the year		-	-
Balance at the end of the year		<u>60,396,490</u>	<u>60,396,490</u>
The Company vide petition 1234/2020 filed before the High Court of Sindh challenged the recovery of GIDC installments. The High Court of Sindh vide its order dated 22 November 2020 has suspended the recovery of GIDC installments. Further, the Company vide petition 1848/2021 dated 30 August 2021 filed before the High Court of Sindh challenged the levy of GIDC on the ground of the Government's failure to comply with the Supreme Court's judgment dated 13 August 2020 in relation to commencement of work on specified projects. No further date of hearing is fixed.			
12.4 Workers' profit participation fund			
Opening balance		10,269,699	87,892,111
Interest on funds utilized in the Company's business	12.4.1	<u>139,093</u>	<u>9,287,291</u>
		10,408,792	97,179,402
Paid to the fund		<u>(10,408,792)</u>	<u>(97,179,402)</u>
		-	-
Allocation for the year	35	<u>23,042,222</u>	<u>10,269,699</u>
		<u>23,042,222</u>	<u>10,269,699</u>
12.4.1 Interest on workers' profit participation fund has been provided @22% (2024: 262.5%) per annum.			
12.5 Workers Welfare Fund			
Opening balance		204,732,052	214,401,527
Payments / reversals during the year		<u>(204,732,052)</u>	<u>(29,665,351)</u>
		-	184,736,176
Allocation for the year	35	<u>-</u>	<u>19,995,876</u>
		<u>-</u>	<u>204,732,052</u>
12.5.1 After the decision of the Honorable High Court of Sindh, the provisions of the Workers' Welfare Fund Ordinance, 1971 have been applied to the Company as it qualifies as a trans-provincial entity. Accordingly, the previously recognized liabilities have been settled, and any excess amounts have been reversed to ensure alignment with the Workers' Welfare Fund Ordinance, 1971 in line with the decision of the Council of Common Interests (CCI) regarding trans-provincial companies.			
13 UNCLAIMED DIVIDEND			
Unclaimed dividend		<u>1,831,650</u>	<u>1,831,650</u>
14 ACCRUED MARKUP / INTEREST			
Mark-up accrued on secured:			
- long term financing		38,818,222	104,172,816
- short term borrowings		<u>43,536,670</u>	<u>227,251,074</u>
		<u>82,354,892</u>	<u>331,423,890</u>
15 SHORT TERM BORROWINGS - SECURED	Note	June 30, 2025	June 30, 2024
From banking companies		Rupees	Rupees
Running finance/Running Musharika	15.1	503,084,420	1,149,100,000
Term loans - Money Market	15.2	7,405,000,000	4,500,000,000
Import finances	15.3	-	2,121,506,030
		<u>7,908,084,420</u>	<u>7,770,606,030</u>
15.1 The aggregate approved short term borrowing facilities amounting to PKR 16.83 billion (2024: PKR 14.76 billion). Out of total facilities, facilities of Rs. 8.95 billion (2024: Rs. 6.99 billion) are unavailed at the reporting date.			
15.2 These facilities are subject to mark-up ranging from 1 to 3 month KIBOR minus 2.17% to KIBOR plus 2% (2024: 1 to 3 month KIBOR + spreads between 0.1% to 2%) per annum payable quarterly. These are secured against hypothecation charge on current assets of the Company.			
15.3 The Company had obtained facilities for short-term finance under FE-25 Import finance. The rates of mark-up on these facilities ranged from 4.20% to 7.09% (224: 5.75% to 6.75%) per annum.			
16 CURRENT PORTION OF LONG TERM FINANCING			
Long-term financing	8	719,587,215	668,245,119
Deferred government grant	11.1	<u>173,241,751</u>	<u>192,886,767</u>
		<u>892,828,966</u>	<u>861,131,886</u>
17 PROVISION FOR TAXATION			
Provision for taxation		-	-
Income tax refundable / adjustable		-	-
		<u>-</u>	<u>-</u>
18 CONTINGENCIES AND COMMITMENTS			
Contingencies			
18.1 Various banking companies have issued guarantees on behalf of the Company and discounted receivables of the Company as detailed below:			
Bills discounted		2,903,624,332	3,566,149,426
Bank guarantees		<u>1,469,447,817</u>	<u>1,011,295,407</u>
18.2 The Company has issued post dated cheques amounting to PKR 3,169,305,780 (2024: PKR 3,172,225,780) in favour of Collector of Customs in lieu of custom levies against various statutory notifications. The post dated cheques furnished by the company are likely to be released after the fulfilment of term of related SROs.			

- 18.3** The Government has levied Super Tax on high earning persons, which was levied by the Government for the tax year 2022 in addition to corporate tax rate of 29%. The Company together with other parties challenged it for tax year 2022 in the Sindh High Court who decided the matter in favour of the petitioners ultra vires to the Constitution of Pakistan.

The FBR challenged the said decision before the Supreme Court of Pakistan who, vide interim order dated February 2023, directed that the taxpayers shall pay super tax to Nazir on the direction of Sindh High Court. The Company, complying with the directions, provided security of 100% super tax to the Nazir of High Court. 40% of which was encashed and deposited with the FBR. The hearing and appeal before the Supreme Court of Pakistan is pending.

- 18.4** The Company, along with other textile mills, is a respondent in C.P.L.A. No. 1017/2025 filed in the Supreme Court of Pakistan by the Federation of Pakistan against the judgment dated 3 February 2025, whereby the increase in natural gas tariffs for industrial consumers notified by OGRA through S.R.O. No. (1)/2016 was declared invalid.

As the matter is pending adjudication before the Supreme Court, the ultimate outcome cannot presently be determined. However, based on the opinion of the Company's legal advisor, management believes that the case is likely to be decided in favour of the Company. Accordingly, no provision has been made in these financial statements.

Commitments

- 18.4** Letter of credit (for store, raw material and fixed assets)
- | | | |
|-------------------------------------|----------------------|----------------------|
| | 1,705,489,514 | 1,140,617,880 |
| Commitments for capital expenditure | 49,500,499 | 35,756,582 |

- 18.5** The Company has entered into Ijarah arrangements for vehicles with Meezan Bank Limited. These arrangements have been made for the period of five years. Such arrangements carry Bench Mark Rate of 0.5% per annum over the 3 Month KIBOR. The rate would be fixed for the first three months on the last working day before the first disbursement date and subsequently on each last working day immediately preceding the beginning of next three months. Lease rentals shall be revised in accordance with the change in KIBOR to appropriately reflect the Bench Mark. Future Ijarah payments due under these arrangements at the period end are as follows:

Not later than one year	99,787,632	98,638,269
Later than one year & not later than five years	166,011,895	255,468,182
Later than five years	-	-
	265,799,527	354,106,451

19 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	19.1	8,457,907,078	8,755,049,425
Capital work in progress	19.6	399,177,155	296,414,501
		8,857,084,233	9,051,463,926

19.6 CAPITAL WORK IN PROGRESS

June 30, 2025			
As at July 01, 2024 PKR	Additions PKR	Transfers PKR	As at June 30, 2025 PKR
Building and civil works	115,514,501	26,227,491	65,334,326
Plant and machinery	20,294,885	314,887,316	79,371,198
Electric installation	160,605,115	207,132,498	300,779,127
Equipment and other Assets	-	1,267,560	1,267,560
	296,414,501	549,514,865	446,752,211
			399,177,155
June 30, 2024			
As at July 01, 2023 PKR	Additions PKR	Transfers PKR	As at June 30, 2024 PKR
Building and civil works	-	115,514,501	-
Plant and machinery	315,595,141	66,264,927	361,565,183
Electric installation	-	323,264,169	162,659,054
Equipment and other Assets	-	106,392,822	106,392,822
	315,595,141	611,436,419	630,617,059
			296,414,501

**Notes to the Financial Statements
For The Year Ended June 30, 2025**
19.1 OPERATING FIXED ASSETS

Year Ended June 30, 2025										
PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2025	Rate %
	As at July 01, 2024	Additions / (disposals)	Transfers	As at June 30, 2025	As at July 01, 2024	For the year	Transfers / (disposal)	As at June 30, 2025		
	Rupees									
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	665,526,110	-	-	665,526,110	-	-	-	-	665,526,110	-
Factory building on leasehold land	174,574,262	-	-	174,574,262	135,160,816	4,027,277	-	139,188,093	35,386,169	10%
Factory building on freehold land	1,691,932,536	-	65,334,326	1,757,266,862	487,377,016	121,000,005	-	608,377,021	1,148,889,841	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	22,040,504	473,303	-	22,513,807	7,380,868	5%
Office premises on freehold land	309,511,250	-	-	309,511,250	68,732,781	11,958,329	-	80,691,110	228,820,140	5%
Plant and machinery	8,888,360,042	-	76,679,815	8,909,537,140	3,251,859,038	567,118,019	-	3,772,374,298	5,137,162,842	10%
		(55,502,717)	-			-	(46,602,759)			
Equipments and other assets	329,652,361	108,602,750	-	438,255,111	193,224,081	58,594,695	-	251,818,776	186,436,335	33.33%
Electric Installation	835,589,525	-	300,779,127	1,136,368,652	114,148,160	81,008,927	-	195,157,087	941,211,565	10%
Gas Line & Pipe	7,365,802	-	2,691,383	10,057,185	6,137,137	145,295	-	6,282,432	3,774,753	10%
Cooling towers	5,223,570	-	-	5,223,570	4,423,724	79,985	-	4,503,709	719,861	10%
Ventilation system	2,094,912	-	-	2,094,912	1,494,657	60,025	-	1,554,682	540,230	10%
Boiler	24,032,925	-	-	24,032,925	17,781,780	625,114	-	18,406,894	5,626,031	10%
Factory equipments	25,817,224	918,750	-	26,735,974	7,065,242	1,882,855	-	8,948,097	17,787,877	10%
Furniture and fixtures - Factory	13,515,228	2,657,972	1,267,560	17,440,760	5,476,709	909,811	1,704,004	8,090,524	9,350,236	10%
Office equipments	36,985,136	-	-	36,985,136	24,863,562	1,212,158	-	26,075,720	10,909,416	10%
Furniture and fixtures - Office	2,657,972	(2,657,972)	-	-	1,704,004	-	(1,704,004)	-	-	10%
Vehicles	131,561,325	17,718,506	-	146,608,306	78,189,633	13,064,352	-	88,656,917	57,951,390	20%
		(2,671,525)				-	(2,597,068)			
June 30, 2025	13,174,728,269	127,240,006	446,752,211	13,690,546,244	4,419,678,844	862,160,149	-	5,232,639,166	8,457,907,078	
	-	(58,174,242)	-	-	-	-	(49,199,827)	-	-	

**Notes to the Financial Statements
For The Year Ended June 30, 2025**
Year Ended June 30, 2024

PARTICULARS	COST				DEPRECIATION				Book value as at June 30, 2024	Rate %
	As at July 01, 2023	Additions / (disposals)	Transfers	As at June 30, 2024	As at July 01, 2023	For the year	Transfers / (disposal)	As at June 30, 2024		
	Rupees									
Company owned										
Leasehold land	433,414	-	-	433,414	-	-	-	-	433,414	-
Freehold land	665,526,110	-	-	665,526,110	-	-	-	-	665,526,110	-
		-								
Factory Building on leasehold land	174,574,262	-	-	174,574,262	130,686,064	4,474,752	-	135,160,816	39,413,446	10%
Factory Building on freehold land	1,691,932,536	-	-	1,691,932,536	353,537,513	133,839,503	-	487,377,016	1,204,555,520	10%
Office premises on leasehold land	29,894,675	-	-	29,894,675	21,542,291	498,213	-	22,040,504	7,854,171	5%
Office premises on freehold land	309,511,250	-	-	309,511,250	56,145,066	12,587,715	-	68,732,781	240,778,469	5%
Plant and machinery	8,647,053,212	-	361,565,183	8,888,360,042	2,737,020,892	621,949,855	-	3,251,859,038	5,636,501,004	10%
	-	(120,258,353)	-	-	-		(107,111,709)	-		
Equipments and other assets	206,308,033	123,344,328	-	329,652,361	167,458,347	25,765,734	-	193,224,081	136,428,280	33.33%
Electric Installation	582,683,798	-	252,905,727	835,589,525	59,824,736	54,323,424	-	114,148,160	721,441,365	10%
Gas line and pipe	7,365,802	-	-	7,365,802	5,999,072	138,065	-	6,137,137	1,228,665	10%
Cooling towers	5,223,570	-	-	5,223,570	4,334,852	88,872	-	4,423,724	799,846	10%
Ventilation system	2,094,912	-	-	2,094,912	1,427,962	66,695	-	1,494,657	600,255	10%
Boiler	24,032,925	-	-	24,032,925	17,087,208	694,572	-	17,781,780	6,251,145	10%
Factory equipments	16,650,258	-	9,166,966	25,817,224	5,915,361	1,149,881	-	7,065,242	18,751,982	10%
Furniture and fixtures - Factory	6,536,045	-	6,979,183	13,515,228	5,294,382	182,327	-	5,476,709	8,038,519	10%
Office equipments	36,985,136	-	-	36,985,136	23,516,720	1,346,842	-	24,863,562	12,121,574	10%
Furniture and fixtures - Office	2,657,972	-	-	2,657,972	1,598,007	105,997	-	1,704,004	953,968	10%
Vehicles	111,938,757	27,770,608	-	131,561,325	74,922,267	9,947,412	-	78,189,633	53,371,692	20%
	-	(8,148,040)	-	-	-	-	(6,680,046)	-	-	
June 30, 2024	12,521,402,667	151,114,936	630,617,059	13,174,728,269	3,666,310,740	867,159,859	-	4,419,678,844	8,755,049,425	
	-	(128,406,393)	-	-	-		(113,791,755)	-	-	

19.2 Plant and machinery, Office equipments and Equipments and other assets includes assets amounting to PKR 183,813,704 (2024: PKR 42,098,968) which has been fully depreciated.

19.3 The depreciation charge for the year has been allocated as follows:

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Cost of sales	31	846,973,828	855,683,278
Administrative expenses	34	15,186,321	11,476,581
		<u>862,160,149</u>	<u>867,159,859</u>

19.4 Freehold lands of the Company are located at Feroze Wattwan Sheikhpura with an area of 883 kanal 01 marla (2024: 883 kanal 01 marla), at Gajumata Kasur 48 Kanal (2024: 48 Kanal) and Leasehold land are located at Kotri with an area of 104 Kanal (2024: 104 Kanal).

Notes to the Financial Statements
For The Year Ended June 30, 2025

19.5 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Year Ended June 30, 2025							
Description	Cost	Accumulated depreciation	Written down value	Proceeds from disposal of property, plant and equipment	Gain on disposal of property, plant and equipment	Mode of disposal	Particulars of buyer
Rupees							
Machinery							
Spinning machinery	29,533,340	26,683,307	2,850,033	3,000,000	149,967	Negotiation	Abdul Hameed Trading Company, Samundari Road, Faisalabad
Generator	22,336,643	19,285,767	3,050,876	3,442,623	391,747	Negotiation	Mr. Mazhar abbas, Maqbool Road, Faisalabad Town
Generator	3,632,734	633,685	2,999,049	3,800,000	800,951	Negotiation	Gecom Spares & Services, Mehran Town, Korangi, Karachi
	55,502,717	46,602,759	8,899,958	10,242,623	1,342,665		
Vehicles							
Toyota Corolla	1,203,850	1,194,727	9,123	500,000	490,877	Negotiation	Mr. Tofeeque Ahmed, Bhatai Colony, Korangi Crossing, Karachi
Toyota Corolla	1,467,675	1,402,341	65,334	500,000	434,666	Negotiation	Mr. Aneeq Rasool, Bhatai Colony, Korangi Crossing, Karachi
	2,671,525	2,597,068	74,457	1,000,000	925,543		
30-Jun-25	58,174,242	49,199,827	8,974,415	11,242,623	2,268,208		
30-Jun-24	128,406,393	113,791,755	14,614,638	20,087,737	5,473,099		

Bhanero Textile Mills Limited			
Notes to the Financial Statements			
For The Year Ended June 30, 2025			
20	LONG TERM DEPOSITS		
	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Ijarah deposits		33,995,860	33,995,860
Electricity		30,163,293	30,163,293
Telephone		34,600	34,600
Others	20.1	1,044,176	1,044,176
		<u>65,237,929</u>	<u>65,237,929</u>
20.1 It includes security deposit amounting to Rs. 20,000 (June 2024: Rs. 20,000) given to Admiral (Private) Limited, an associated company, against rent of building.			
21	STORES, SPARES AND LOOSE TOOLS		
Stores, spares and packing material		<u>284,877,976</u>	<u>308,372,617</u>
		<u>284,877,976</u>	<u>308,372,617</u>
21.1 No item of stores, spares and loose tools is pledged as security as at reporting date.			
22	STOCK IN TRADE		
Raw material		4,928,153,479	4,697,715,771
Raw material in transit		1,997,885,684	3,079,845,995
Work in process		396,857,224	347,196,263
Finished goods	22.2	4,693,198,530	3,622,574,859
		<u>12,016,094,917</u>	<u>11,747,332,888</u>
22.1 No item of stock in trade is pledged as security as at reporting date.			
22.2 Stock of finished goods includes stock amounting to Rs. 394,372,577 (June 2024: Rs. 275,000,005) that is valued at net realizable value.			
23	TRADE DEBTS		
Foreign - secured against letter of credit		541,171,823	687,925,548
Local - unsecured - considered good		3,093,853,079	2,906,667,528
Local - unsecured - considered doubtful		62,477,418	65,651,619
		<u>3,697,502,320</u>	<u>3,660,244,695</u>
Allowance for ECL on trade debts	23.1	<u>(62,477,418)</u>	<u>(65,651,619)</u>
		<u>3,635,024,902</u>	<u>3,594,593,076</u>
23.1 Particulars of allowance for ECL on trade debts			
Balance at beginning of the year		65,651,619	81,098,653
Charge during the year	35	1,614,061	1,467,371
Allowance no longer required / recovered		<u>(4,788,262)</u>	<u>(16,914,405)</u>
Balance at the end of the year		<u>62,477,418</u>	<u>65,651,619</u>
24	LOANS AND ADVANCES		
Advances to :			
Suppliers - Unsecured (considered good)		72,372,908	65,184,416
Employees - Secured (considered good)	24.1	6,734,594	10,308,039
Employees - Unsecured (considered doubtful)		1,165,000	1,165,000
L/C in transit		<u>183,641</u>	<u>1,429,760</u>
		<u>80,456,143</u>	<u>78,087,215</u>
Provision for doubtful advances	24.2	<u>(1,165,000)</u>	<u>(1,165,000)</u>
		<u>79,291,143</u>	<u>76,922,215</u>
24.1 These represent advances to employees against future salaries and post employment benefits in accordance with the company policy.			
24.2 Provision for doubtful advances			
Balance at beginning of the year		1,165,000	1,165,000
Charge during the year		-	-
Provision no longer required/ recovered		-	-
Balance at the end of the year		<u>1,165,000</u>	<u>1,165,000</u>
25	TRADE DEPOSITS AND PREPAYMENTS		
Deposits against infrastructure fees	25.1	896,944,861	301,444,861
Prepaid expenses		4,711,321	5,025,766
		<u>901,656,182</u>	<u>306,470,627</u>
25.1 This represents deposits against a bank guarantee submitted to ETO. Effective mark up rate on these deposits range from 9.9% to 19% per annum (June 30, 2024: 18% to 20.25% per annum).			
26	OTHER RECEIVABLES - UNSECURED		
KMC refundable - Considered doubtful		680,624	680,624
Claims receivable - Considered good		67,621,057	32,820,322
		<u>68,301,681</u>	<u>33,500,946</u>
Provision for doubtful receivables		<u>(680,624)</u>	<u>(680,624)</u>
		<u>67,621,057</u>	<u>32,820,322</u>
27	ADVANCE INCOME TAX		
Income tax refundable	Note	859,249,943	645,062,530
		<u>859,249,943</u>	<u>645,062,530</u>
Provision for taxation		2,307,177	-
Provision for levies	37	<u>(411,344,334)</u>	<u>(357,944,172)</u>
		<u>(409,037,157)</u>	<u>(357,944,172)</u>
		<u>450,212,786</u>	<u>287,118,358</u>
28	SALES TAX REFUNDABLE		
Sales tax and federal excise duty refundable		396,074,692	458,236,921
Excise duty refundable - considered doubtful		3,006,390	3,006,390
Provision for excise duty refundable		<u>(3,006,390)</u>	<u>(3,006,390)</u>
		<u>-</u>	<u>-</u>
		<u>396,074,692</u>	<u>458,236,921</u>

Bhanero Textile Mills Limited**Notes to the Financial Statements****For The Year Ended June 30, 2025****29 BANK BALANCES**

Balances with banks:

Current accounts

Saving Account

Foreign currency account - current

29.1

153,763,722

529,500,453

-

200,000,000

18,073,090

6,871,824

171,836,812**736,372,277****29.1** This represents investments in Term Deposit Receipts. Effective mark up rate in respect of these balances ranges from Nil (June 30, 2024: 18% to 20%) per annum.**30 SALES - NET**

Export

Yarn

Fabric

Export Rebate

Local

Yarn

Fabric

Cotton and polyester

Scrap

Waste and others

Discount

Sales tax

10,264,711,821

18,116,437,632

4,879,053,930

6,878,407,423

15,143,765,751

24,994,845,055

402,054

-

15,144,167,805

24,994,845,055

15,027,340,043

8,495,558,576

5,398,322,098

1,704,653,097

64,592,963

17,921,373

23,508,998

19,754,843

460,146,718

502,508,981

20,973,910,820

10,740,396,870

36,118,078,625

35,735,241,925

-

-

(3,210,531,887)

(2,677,997,271)

(3,210,531,887)

(2,677,997,271)

32,907,546,738

33,057,244,654

30.1 Export sales includes Rs. 57.81 million exclusive of sales tax (2024: Rs. 7,533.72 million) in respect of indirect export sales.

		June 30, 2025 Rupees	June 30, 2024 Rupees
31 COST OF SALES			
Raw material consumed	31.1	24,432,683,352	24,530,887,883
Packing material consumed		259,767,888	273,560,588
Stores, spares and loose tools		445,828,359	453,521,300
Salaries, wages and benefits	31.2	1,743,754,486	1,447,076,212
Fees and subscription		3,754,385	2,913,369
Fuel, power and water		3,484,032,368	3,438,684,079
Insurance		99,148,300	94,197,104
Vehicle running and maintenance		22,054,730	24,801,800
Rent, rate and taxes		1,290,625	878,794
Repairs and maintenance		17,423,420	28,242,169
Communication		1,470,406	1,341,836
Traveling and conveyance		6,855,313	7,795,036
Depreciation	19.3	846,973,828	855,683,278
Others		4,515,856	5,836,525
		31,369,553,316	31,165,419,973
Work in process			
Opening stock		347,196,263	395,155,349
Closing stock		(396,857,224)	(347,196,263)
		(49,660,961)	47,959,086
Cost of goods manufactured		31,319,892,355	31,213,379,059
Cost of raw material sold	31.3	52,082,495	19,657,242
Finished stocks			
Opening stock		3,622,574,859	2,358,007,314
Finished goods purchases		18,055,237	54,964,055
Closing stock		(4,693,198,530)	(3,622,574,859)
		(1,052,568,434)	(1,209,603,490)
		30,319,406,416	30,023,432,811
31.1 Raw material consumed			
Opening stock		7,777,561,766	9,545,065,294
Purchases - net		23,650,396,811	22,828,462,792
		31,427,958,577	32,373,528,086
Cost of raw material sold		(69,236,062)	(65,078,437)
Closing stock		(6,926,039,163)	(7,777,561,766)
		24,432,683,352	24,530,887,883
31.2 Salaries, wages and benefits	includes employees retirement benefits amounting to PKR 105,994,857 (June 30, 2024: PKR 96,195,164).		
31.3 Cost of raw material sold	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Cost of purchases		52,082,495	19,613,336
Salaries, wages and other benefits		-	23,625
Loading and unloading		-	5,093
Insurance		-	15,188
		-	43,906
		52,082,495	19,657,242
32 OTHER INCOME			
Income from financial assets			
Interest income		102,422,994	105,917,113
Exchange gain on foreign currency accounts		784,291	-
Liabilities written back		83,334,869	-
Gain on sale of mutual fund units		-	8,938
Reversal of provision for ECL		4,788,262	16,914,405
		191,330,416	122,840,456
Income from other than financial assets			
Gain on disposal of property, plant and equipment	19.5	2,268,208	5,473,099
		193,598,624	128,313,555
33 DISTRIBUTION COST			
Export			
Freight on export sales		310,215,427	348,363,178
Commission on export sales		136,412,960	153,199,559
Export development surcharge		37,399,315	40,905,815
Sales Promotion Expenses		2,779,523	-
Others		16,823,389	10,079,231
		503,630,614	552,547,783
Local			
Salaries and wages		2,153,539	2,032,199
Freight on local sales		44,422,573	40,657,473
Commission on local sales		141,235,858	161,199,928
Others		392,730	686,982
		188,204,700	204,576,582
		691,835,314	757,124,365

Bhanero Textile Mills Limited			
Notes to the Financial Statements			
For The Year Ended June 30, 2025			
34 ADMINISTRATIVE EXPENSES			
Directors' remuneration		21,600,000	21,600,000
Staff salaries and benefits	34.1	161,040,131	144,254,252
Travelling, conveyance and entertainment		21,455,101	20,103,039
Printing and stationery		5,818,343	6,458,191
Communication		2,641,006	2,946,389
Vehicles running and maintenance		17,854,299	19,905,258
Legal and professional		7,040,512	2,580,147
Auditors' remuneration	34.2	2,275,000	2,275,000
Fee and subscription		16,279,389	11,428,522
Repair and maintenance		1,518,315	923,021
Depreciation	19.3	15,186,321	11,476,581
Rent, rates and utilities		1,815,396	2,016,875
Donation	34.3	500,000	-
Ijarah lease rentals		98,163,416	80,581,137
Others		8,485,639	9,165,559
		381,672,868	335,713,971
34.1 Salaries, wages and benefits includes employees retirement benefits amounting to PKR 11,875,285 (June 30, 2024: PKR 10,768,938).			
34.2 Auditors' remuneration			
Annual statutory audit		2,046,000	2,046,000
Half yearly review		189,000	189,000
Code of Corporate Governance review		40,000	40,000
		2,275,000	2,275,000
34.3 Donation to a single party does not exceed to Rs. 1 million (2024: Nil). No director or his spouse had any interest in the donee.			
35 OTHER OPERATING EXPENSES	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Workers' Profit Participation Fund	12.4	23,042,222	10,269,699
Workers' Welfare Fund		-	19,995,876
Allowance for ECL on trade debts	23.1	1,614,061	1,467,371
Exchange loss on foreign currency		-	1,643,207
		24,656,283	33,376,153
36 FINANCE COST			
Mark-up on:			
- long-term financing		192,358,676	239,035,808
- short-term borrowings		881,503,734	1,462,309,797
- workers' profit participation fund	12.4	139,093	9,287,291
		1,074,001,503	1,710,632,896
Bank charges and commission		17,050,137	16,180,775
Letter of credits discounting		69,256,631	139,426,236
		1,160,308,271	1,866,239,907
36.1 During the year company has capitalized markup of Rs. 10,365,912 (2024: Rs. 2,756,392).			
36.2 Capitalization rates used to determine the amount of borrowing cost eligible for capitalization is 12.10% to 12.50% (2024: 6% to 22.41%).			
37 LEVIES AND TAXATION	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Levies	37.1	411,344,334	357,944,172
Taxation	37.3	(2,307,177)	(56,512,019)
		409,037,157	301,432,153
37.1 Levies			
Final taxes	37.1.1	-	244,838,720
Minimum taxes	37.2	411,344,334	113,105,452
		411,344,334	357,944,172
37.1.1 This represents final taxes paid on export sales as per section 154 of the Income Tax Ordinance, 2001 respectively representing levy in line with the requirements of IFRIC 21/IAS 37 and guidance on IAS 12 issued by ICAP.			
37.2 This represents minimum tax provision under section 113 of the income tax ordinance, 2001. The provision for minimum tax has been recognized as levies in these financial statements as per the requirements of IFRIC 21/IAS37 and guidance on IAS 12 issued by ICAP.			
37.3 Taxation			
Current			
- for the year	37.4	-	-
- for prior years		(2,307,177)	(56,512,019)
		(2,307,177)	(56,512,019)
Deferred			
- for the year	10.1	-	-
- for prior years		-	-
		-	-
		(2,307,177)	(56,512,019)
37.4 Provision for current tax for the year has been made in accordance with section 18 of the Income Tax Ordinance 2001. Income tax assessment of company has been finalized up to tax year 2024.			

Bhanero Textile Mills Limited						
Notes to the Financial Statements						
For The Year Ended June 30, 2025						
38 EARNINGS / (LOSS) PER SHARE - BASIC & DILUTED						
38.1	Basic earnings / (Loss) per share	Rupees	37.56	(43.36)		
	The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.					
	Earnings					
	Earnings / (loss) for the purpose of basic and diluted earnings per share		114,229,053	(131,761,151)		
	Number of shares					
	Weighted average number of ordinary shares outstanding for the purpose of basic earnings per share		3,040,964	3,038,837		
38.2	Diluted earnings / (Loss) per share	Rupees	37.56	(43.36)		
	Diluted earnings per share					
	The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.					
	Weighted average number of ordinary shares (diluted)					
	Weighted-average number of ordinary shares (basic)		3,040,964	3,038,837		
	Weighted-average number of ordinary shares (diluted)		3,040,964	3,038,837		
39 SHARIAH COMPLIANCE DISCLOSURE						
	Note	June 30, 2025 Rupees	June 30, 2024 Rupees			
	Statement of Financial Position					
	Liabilities					
	Long term financing-islamic mode	2,570,020,586	2,686,534,360			
	Short term financing-islamic mode	2,500,025,176	2,502,100,000			
	Accrued Markup-Islamic Fianancing	24,690,621	131,362,687			
	Accrued Markup-Conventional	57,664,271	200,061,203			
	Assets					
	Sharia-Compliant bank deposits, bank balances	91,664,623	126,917,641			
	Sharia-Compliant TDR	120,100,000	120,100,000			
	Statement of Profit or Loss					
	Profit earned from Sharia-Compliant bank deposits, bank balances	-	101,876			
	Profit earned from Sharia-Compliant TDR	15,706,550	22,691,744			
	Profit Accrued Sharia-Compliant TDR and subsequent received	2,961,370	5,567,375			
	Exchange gain earned from actual currency	-	-			
	Markup paid on islamic mode of financing	280,736,391	676,587,132			
	Markup paid on Conventional mode	787,319,191	1,021,521,466			
	Interest earned on any conventional advance	-	-			
	Breakup of income					
	Non-Compliant Income					
	Profit on saving accounts	-	-			
	Profit on term deposit receipts	82,171,643	75,884,014			
40 NON ADJUSTING EVENTS AFTER THE REPORTING PERIOD						
In respect of current period, the board of directors in their meeting held on 30 September, 2025 has proposed to pay cash dividend @ Nil% i.e. PKR Nil per ordinary share of PKR 10 each.						
41 CHANGES FROM FINANCING CASH FLOWS						
		June 30, 2025				
		Long term finances Rupees	Short term borrowings Rupees	Unclaimed Dividend Rupees		
	As at beginning of the year	3,968,313,081	7,770,606,030	1,831,650		
	Long term finances obtained	214,644,000	-	-		
	Repayment of long term finances	(668,245,279)	-	-		
	Loan accretion	192,886,770	-	-		
	Net increase in short term borrowings	-	137,478,390	-		
	Dividend declared	-	-	-		
	Dividend paid	-	-	-		
	As at end of the year	3,707,598,572	7,908,084,420	1,831,650		
		June 30, 2024				
		Long term finances Rupees	Short term borrowings Rupees	Unclaimed Dividend Rupees		
	As at beginning of the year	4,063,853,613	7,321,871,416	1,722,649		
	Long term finances obtained	171,160,195	-	-		
	Repayment of long term finances	(481,080,862)	-	-		
	Loan accretion	214,380,135	-	-		
	Net decrease in short term borrowings	-	448,734,614	-		
	Dividend declared	-	-	106,433,740		
	Dividend paid	-	-	(106,324,739)		
	As at end of the year	3,968,313,081	7,770,606,030	1,831,650		
42 REMUNERATION OF CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES						
	Chief Executive	Director	Executives	Chief Executive	Director	Executives
	2025	2025	2025	2024	2024	2024
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
	Remuneration	9,600,000	12,000,000	80,295,000	9,600,000	12,000,000
	Perquisites	-	-	14,990,722	-	-
	Post employment benefits	-	-	10,944,337	-	-
		9,600,000	12,000,000	106,230,059	9,600,000	12,000,000
	Number of persons	1	1	27	1	22
42.1 In addition the Chief Executive, directors and executives are provided with free use of Company maintained cars and telephone for business use.						
42.2 No remuneration to non executive directors has been paid.						

43 SEGMENT INFORMATION
43.1 Products and services from which reportable segments derive their revenues

Information reported to the Company's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is focused on type of goods supplied. The Company's reportable segments are therefore as follows:

Segment

Spinning

Weaving

Information regarding Company's reportable segments is presented below:

43.2 Information about reportable segments

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	23,303,286,243	9,604,260,495	32,907,546,738
Intersegment revenues	547,618,850	-	547,618,850
Depreciation	612,843,715	249,316,434	862,160,149
Segment results	914,434,914	769,139,567	1,683,574,481
Segment assets	20,831,177,424	4,280,653,616	25,111,831,040
Segment liabilities	15,045,787,505	2,900,105,100	17,945,892,605
Interest income	100,941,666	1,481,328	102,422,994
Additions to non-current assets	543,916,215	132,838,656	676,754,871
Disposals of property, plant and equipment	5,923,539	3,050,876	8,974,415
	June-2024		
	Spinning Rupees	Weaving Rupees	Total Rupees
Revenue from external customers	24,836,720,583	8,220,524,071	33,057,244,654
Intersegment revenues	767,816,790	-	767,816,790
Depreciation	629,122,515	238,037,344	867,159,859
Segment results	1,554,500,663	481,410,246	2,035,910,909
Segment assets	21,169,045,972	4,378,831,349	25,547,877,321
Segment liabilities	12,298,685,956	2,882,218,896	15,180,904,852
Interest income	104,424,312	1,492,801	105,917,113
Additions to non-current assets	600,360,898	162,190,457	762,551,355
Disposals of property, plant and equipment	3,591,798	11,022,840	14,614,638

The accounting policies of the reportable segments are the same as the Company's accounting policies. Segment results represent operating profit earned by the segment. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

43.3 Reconciliations of reportable segment information
43.3.1 Segment revenues and profits

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	23,850,905,093	9,604,260,495	33,455,165,588
Inter-segment revenues	(547,618,850)	-	(547,618,850)
Total for the Company	23,303,286,243	9,604,260,495	32,907,546,738
	June-2024		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	25,604,537,373	8,220,524,071	33,825,061,444
Inter-segment revenues	(767,816,790)	-	(767,816,790)
Total for the Company	24,836,720,583	8,220,524,071	33,057,244,654

Bhanero Textile Mills Limited**Notes to the financial statements****For The Year Ended June 30, 2025**

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Operating Profit	903,238,460	804,992,304	1,708,230,764
Unallocated expenses			
Other operating expenses			(24,656,283)
Finance cost			(1,160,308,271)
Levies			(411,344,334)
Total for the Company	903,238,460	804,992,304	111,921,876
	June-2024		
	Spinning Rupees	Weaving Rupees	Total Rupees
Operating Profit	1,561,324,980	507,962,082	2,069,287,062
Unallocated expenses			
Other operating expenses			(33,376,153)
Finance cost			(1,866,239,907)
Levies			(357,944,172)
Total for the Company	1,561,324,980	507,962,082	(188,273,170)

43.3.2 Segment assets

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	20,831,177,424	4,280,653,616	25,111,831,040
Unallocated assets			
Advance Taxation			450,212,786
Sales tax refundable			396,074,692
Trade deposits			901,656,182
Long term deposit			65,237,929
Total for the Company	20,831,177,424	4,280,653,616	26,925,012,629
	June-2024		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	21,169,045,972	4,378,831,349	25,547,877,321
Unallocated assets			
Advance Taxation			287,118,358
Sales tax refundable			458,236,921
Trade deposits			306,470,627
Long term deposit			65,237,929
Total for the Company	21,169,045,972	4,378,831,349	26,664,941,156

43.3.3 Segment liabilities

	June-2025		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	12,145,682,405	2,900,105,100	15,045,787,505
Un-allocated liabilities			
Unclaimed dividends			1,831,650
Infrastructure fee			915,237,997
Total for the Company	12,145,682,405	2,900,105,100	15,962,857,152

Bhanero Textile Mills Limited**Notes to the financial statements****For The Year Ended June 30, 2025**

	June-2024		
	Spinning Rupees	Weaving Rupees	Total Rupees
Total for reportable segments	12,298,685,956	2,882,218,896	15,180,904,852
Un-allocated liabilities			
Unclaimed dividends			1,831,650
Infrastructure fee			619,090,972
Total for the Company	12,298,685,956	2,882,218,896	15,801,827,474

43.4 Geographical information

The geographic information analyses the entity's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	June 30, 2025	June 30, 2024
China	9,936,838,731	9,185,511,567
Portugal	748,349,516	2,055,075,334
Korea	512,030,168	390,706,405
Japan	478,345,051	598,545,600
Italy	705,626,849	447,331,605
Belgium	19,370,592	574,426,207
Spain	1,398,181,658	668,403,253
Bangladesh	158,753,539	251,788,401
Other Countries	1,118,055,971	2,057,751,288
Pakistan	21,042,124,496	19,505,702,265
	36,117,676,571	35,735,241,925
Export Rebate	402,054	-
Sales tax	(3,210,531,887)	(2,677,997,271)
	32,907,546,738	33,057,244,654

43.5 Information about significant customers

During the year sales amounting to PKR 3,703,660,312 (2024: PKR 6,937,719,331) were made to one single significant external customer which accounts for more than 10% of the Company's total sales were made.

43.6 Company do not have any non current assets outside Pakistan.

44 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction. As at June 30, 2025 the net fair value of all financial instruments has been based on the valuation methodology outlined below:-

Long-term deposits

Long term deposits does not carry any rate of return. The fair value of it has been taken at book value as it is not considered materially different and readily exchangeable.

Non-current liabilities

For all non-current liabilities the fair values have been taken at book values as these are not considered materially different based on the current market rates of return and reprising profiles of similar non-current liabilities.

Other financial instruments

The fair values of all other financial instruments are considered to approximate their book values as they are short term in nature.

The analysis of yield / mark-up rate risk is as under:

2025							
Interest / Markup bearing			Non Interest / Markup bearing				Effective Interest Rate %
Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Total Rupees	
Financial assets							
Trade debts	-	-	-	3,635,024,902	-	3,635,024,902	3,635,024,902
Loans and advances	-	-	-	8,083,235	-	8,083,235	8,083,235
Trade deposits	896,944,861	-	896,944,861	-	-	-	896,944,861
Other receivables	-	-	-	67,621,057	-	67,621,057	67,621,057
Cash and bank balances	-	-	-	171,836,812	-	171,836,812	171,836,812
Long term deposits	-	-	-	-	65,237,929	65,237,929	65,237,929
	896,944,861	-	896,944,861	3,882,566,006	65,237,929	3,947,803,935	4,844,748,796
Financial liabilities							
Long-term financing	719,587,215	2,988,011,357	3,707,598,572	-	-	-	3,707,598,572
Trade Creditors	-	-	-	1,452,560,522	-	1,452,560,522	1,452,560,522
Accrued liabilities	-	-	-	652,019,483	-	652,019,483	652,019,483
Unclaimed dividend	-	-	-	1,831,650	-	1,831,650	1,831,650
Other payables	23,042,222	-	23,042,222	64,528,435	-	64,528,435	87,570,657
Accrued mark-up / interest	-	-	-	82,354,892	-	82,354,892	82,354,892
Short-term borrowings	7,908,084,420	-	7,908,084,420	-	-	-	7,908,084,420
	8,650,713,857	2,988,011,357	11,638,725,214	2,253,294,982	-	2,253,294,982	13,892,020,196
On Statement of financial statement Gap	(7,753,768,996)	(2,988,011,357)	(10,741,780,353)	1,629,271,024	65,237,929	1,694,508,953	(9,047,271,400)
Contingencies and commitments							
Post dated cheques							3,169,305,780
Bill discounted							2,903,624,332
Bank guarantees							1,469,447,817
Letters of credit							1,705,489,514
2024							
Interest / Markup bearing			Non Interest / Markup bearing				Effective Interest Rate %
Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Maturity Upto One year Rupees	Maturity After One year Rupees	Subtotal Rupees	Total Rupees	
Financial assets							
Trade debts	-	-	-	3,594,593,076	-	3,594,593,076	3,594,593,076
Loans and advances	-	-	-	12,902,799	-	12,902,799	12,902,799
Trade deposits	296,419,095	-	296,419,095	-	-	-	296,419,095
Other receivables	-	-	-	32,820,322	-	32,820,322	32,820,322
Cash and bank balances	200,000,000	-	200,000,000	536,372,277	-	536,372,277	736,372,277
Long-term deposits	-	-	-	-	65,237,929	65,237,929	65,237,929
	496,419,095	-	496,419,095	4,176,688,474	65,237,929	4,241,926,403	4,738,345,498
Financial liabilities							
Long-term financing	668,245,119	3,300,067,962	3,968,313,081	-	-	-	3,968,313,081
Trade Creditors	-	-	-	1,036,170,472	-	1,036,170,472	1,036,170,472
Accrued liabilities	-	-	-	497,824,606	-	497,824,606	497,824,606
Unclaimed dividend	-	-	-	1,831,650	-	1,831,650	1,831,650
Other payables	10,269,699	-	10,269,699	46,636,477	-	46,636,477	56,906,176
Accrued mark-up / interest	-	-	-	331,423,890	-	331,423,890	331,423,890
Short-term borrowings	7,770,606,030	-	7,770,606,030	-	-	-	7,770,606,030
	8,449,120,848	3,300,067,962	11,749,188,810	1,913,887,095	-	1,913,887,095	13,663,075,905
On Statement of financial statement Gap	(7,952,701,753)	(3,300,067,962)	(11,252,769,715)	2,262,801,379	65,237,929	2,328,039,308	(8,924,730,407)
Contingencies and commitments							
Post dated cheques							3,172,225,780
Bill discounted							3,566,149,426
Bank guarantees							1,011,295,407
Letters of credit							1,140,617,880

44.1 Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. Changes in interest rates can affect the rates charged on interest bearing liabilities. This can result in an increase in interest expense relative to financial borrowings or vice versa. The Company manages its risk by interest rate swapping, maintaining a fair balance between interest rates and financial assets and financial liabilities. The effective interest rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements.

44.2 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. Out of the total financial assets of PKR 4,844,748,796 (June 30, 2024: PKR 4,738,345,498), unsecured local trade debts, advances to suppliers, and other receivables amounting in aggregate to PKR 3,710,729,194 (June 30, 2024: PKR 3,640,316,197) are subject to credit risk. The Company manages its credit risk by; limiting significant exposure to any individual customers and obtaining advance against sales.

44.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The management closely monitors the Company's liquidity and cash flow position. This includes maintenance of statement of financial position liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customer.

44.4 Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions in foreign currencies. As at June 30, 2025, the total foreign currency risk exposure was PKR 559,244,913 (June 30, 2024: PKR 1,426,708,658) in respect of foreign trade debts and foreign currency banks.

**Notes to the Financial Statements
For The Year Ended June 30, 2025**
44.5 Credit risk
44.5.1 Maximum credit exposure

The carrying amount of financial assets, excluding bank balances, represents maximum credit exposure. The maximum exposure to credit risk as at the reporting date is:

	Note	June 30, 2025 Rupees	June 30, 2024 Rupees
Trade debts		3,635,024,902	3,594,593,076
Loans and advances		8,083,235	12,902,799
Trade deposits		896,944,861	301,444,861
Other receivables		67,621,057	32,820,322
Bank balances		171,836,812	736,372,277
Long term deposits		65,237,929	65,237,929
		<u>4,844,748,796</u>	<u>4,743,371,264</u>

44.5.2 Concentration of credit risk

Maximum exposure to credit risk by geographical region as at the reporting date is:

Domestic	3,156,330,497	2,972,319,147
Europe	202,825,365	268,072,375
Asia and Middle East	<u>338,346,458</u>	<u>419,853,173</u>
	<u>3,697,502,320</u>	<u>3,660,244,695</u>
Impairment	(62,477,418)	(65,651,619)
	<u>3,635,024,902</u>	<u>3,594,593,076</u>

44.5.3 Aging and movement in Impairment losses

The aging of receivables as at the reporting date is as follows:

Not past due	2,354,531,286	2,497,032,651
Past due less than one year	1,210,301,830	1,085,899,499
Past due more than one year but less than three years	61,980,774	6,520,677
Past due more than three years	<u>70,688,430</u>	<u>70,976,367</u>
	<u>3,697,502,320</u>	<u>3,660,429,195</u>
Allowance for expected credit losses	(62,477,418)	(65,651,619)
	<u>3,635,024,902</u>	<u>3,594,777,576</u>

The movement in allowance for impairment in respect of receivables during the year is as follows:

As at beginning of the year	65,651,619	81,098,653
Impairment loss recognized	1,614,061	1,467,371
Impairment loss reversed	(4,788,262)	(16,914,405)
As at end of the year	<u>62,477,418</u>	<u>65,651,619</u>

Credit quality of counter parties is assessed based on historical default rates. All loans and receivables not past due are considered good. The management believes that allowance for impairment of loans and receivables past due is not necessary, as these comprise amounts due from old customers, which have been re-negotiated from time to time and are also considered good.

44.5.4 Collateral held

The Company does not hold collateral to secure its loans and receivables. However, foreign trade receivables of the Company are secured through letters of credits and exposure to credit risk in respect of these is minimal.

44.6 Liquidity risk

Following are the contractual maturities of financial liabilities, including estimated interest payments

	As at June 30, 2025				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	3,707,598,572	5,067,881,079	890,004,194	3,852,577,263	325,299,622
Short term borrowings	7,908,084,420	8,542,312,790	8,542,312,790	-	-
Accrued mark-up / interest	82,354,892	82,354,892	82,354,892	-	-
Trade creditors	1,452,560,522	1,452,560,522	1,452,560,522	-	-
Accrued liabilities	652,019,483	652,019,483	652,019,483	-	-
Unclaimed dividend	1,831,650	1,831,650	1,831,650	-	-
Other payables	97,896,667	97,896,667	97,896,667	-	-
	<u>13,902,346,206</u>	<u>15,896,857,083</u>	<u>11,718,980,198</u>	<u>3,852,577,263</u>	<u>325,299,622</u>

**Notes to the Financial Statements
For The Year Ended June 30, 2025**

	As at June 30, 2024				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Long term financing	3,968,313,081	6,175,271,237	469,480,174	3,335,454,920	2,370,336,143
Short term borrowings	7,770,606,030	8,393,808,634	8,393,808,634	-	-
Accrued mark-up / interest	331,423,890	331,423,890	331,423,890	-	-
Trade creditors	1,036,170,472	1,036,170,472	1,036,170,472	-	-
Accrued liabilities	497,824,606	497,824,606	497,824,606	-	-
Unclaimed dividend	1,831,650	1,831,650	1,831,650	-	-
Other payables	82,975,923	82,975,923	82,975,923	-	-
	<u>13,689,145,652</u>	<u>16,519,306,412</u>	<u>10,813,515,349</u>	<u>3,335,454,920</u>	<u>2,370,336,143</u>

44.7 Market risk
44.7.1 Currency risk

a) The Company's exposure to currency risk as at the reporting date is as follows:

Trade receivables	541,171,823	687,925,548
Cash and cash equivalents	18,073,090	6,871,824
Short term borrowings	-	(2,121,506,030)
Total exposure	<u>559,244,913</u>	<u>(1,426,708,658)</u>

b) Exchange rates applied as at the reporting date.

The following spot exchange rates were applied as at the reporting date wherever applicable.

	2025		2024	
	Assets Rupees	Liabilities Rupees	Assets Rupees	Liabilities Rupees
CHF	354.870	355.500	309.160	309.710
JPY	1.967	1.970	1.727	1.731
Euro	332.250	332.830	297.880	298.410
CNY	39.590	39.660	38.470	38.530
USD	283.600	284.100	278.300	278.800

A ten percent appreciation in Rupee would have increased profit or decreased loss by PKR 55,924,491 (2024: PKR 142,670,866). A ten percent depreciation would have had the equal but opposite effect on profit or loss. This sensitivity analysis based on assumption that all variables, with the exception of foreign exchange rates, remain unchanged.

44.7.2 Interest rate risk

The interest rate profile the Company's interest bearing financial instruments as at the reporting date is as follows:

Fixed rate instruments

Financial assets	896,944,861	301,444,861
Financial liabilities	3,094,635,127	5,426,519,643

Variable rate instruments

Financial assets	-	-
Financial liabilities	8,521,047,865	6,312,399,468

The Company is not exposed to interest rate risk in respect of its fixed rate instruments. A 100 basis points increase in variable interest rates would have increased loss or decreased profit by PKR 85,210,479 million (2024: PKR 63,123,995 million). A 100 basis points increase in variable interest rate would have had an equal but opposite impact on profit or loss.

44.7.3 Other Price Risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to commodity price risk as it does not hold financial instruments based commodity prices.

Notes to the Financial Statements
For The Year Ended June 30, 2025

44.8 Fair value of financial assets and liabilities

The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Carrying amount			Carrying amount		
2025			2024		
At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income	At amortized cost	Fair value through profit or loss	Fair value through other comprehensive income
'-----Rupees-----'					
Financial assets					
Long term deposits	65,237,929	-	65,237,929	-	-
Trade debts	3,635,024,902	-	3,594,593,076	-	-
Advances to employees	5,569,594	-	9,143,039	-	-
Refundable trade deposits	896,944,861	-	301,444,861	-	-
Other receivables	67,621,057	-	32,820,322	-	-
Bank balances	171,836,812	-	736,372,277	-	-
	4,842,235,155	-	4,739,611,504	-	-
Financial Liabilities					
Long term financing	3,707,598,572	-	3,968,313,081	-	-
Short term borrowings	7,908,084,420	-	7,770,606,030	-	-
Accrued mark-up / interest	82,354,892	-	331,423,890	-	-
Trade creditors	1,452,560,522	-	1,036,170,472	-	-
Accrued liabilities	652,019,483	-	497,824,606	-	-
Unclaimed dividend	1,831,650	-	1,831,650	-	-
Other payables	97,896,667	-	82,975,923	-	-
	13,902,346,206	-	13,689,145,652	-	-

The basis for determining fair values is as follows:

Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread. Since the majority of the financial assets are fixed rate instruments, there is no significant difference in market rate and the rate of instrument, fair value significantly approximates to carrying value.

45 TRANSACTIONS WITH RELATED PARTIES

The associated undertaking and related parties comprise associated companies, directors and key management personnel. Names, basis of relationship and transaction with associated undertakings and related parties, other than remuneration and benefits to key management personnel under the term of their employment as disclosed in note 42 are as follow:

Name	Basis of relationship	Percentage of shareholding		
Faisal Spinning Mills Limited	Common directorship	N/A		
Blessed Textiles Limited	Common directorship	N/A		
Bhanero Energy Limited	Common directorship	N/A		
Admiral (Private) Limited	Directors' close family member	N/A		
Yasmin Begum	Directors' close family member	1.00%		
Khurram Salim	Director	2.06%		
Farrukh Salim	Directors' close family member	2.02%		
Yousuf Salim	Directors' close family member	1.67%		
Saqib Salim	Directors' close family member	1.71%		
Amna Khurram	Directors' close family member	2.44%		
Muhammad Umer	Directors' close family member	0.02%		
Yahyaa Farrukh	Directors' close family member	2.44%		
Saba Yousaf	Director	2.72%		
Saba Saqib	Directors' close family member	2.76%		
Samia Bilal	Directors' close family member	11.06%		

Nature of relationship	Nature of transactions	June 30, 2025 Rupees	June 30, 2024 Rupees
Associated undertaking	Sales of fabric	241,003,082	326,094,037
	Sales of Cotton	64,586,798	328,630
	Sales of yarn	753,478,968	997,750,134
	Purchase of yarn	547,587,905	376,688,250
	Purchase of cotton	14,900,199	35,530,084
	Purchase of fabric	138,106,391	110,506,106
	Purchase of store, spares & machinery	-	12,882,768
	Services received	618,000	618,000
	Sale of machinery	-	708,000
	Electricity purchased	10,387,053	77,832,508
	Loan received from directors and sponsors	2,500,000	31,000,000
	Retirement benefits	135,557,400	139,567,086
	Provision for gratuity		

45.1 Detail of compensation to key management personnel comprising of chief executive officer, director and executives is disclosed in note 42.

46 Accounting Estimates and Judgments
46.1 Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

46.2 Investment stated at fair value

Management has determined fair value of certain investments by using quotations from active market conditions and information about the financial instruments. These estimates are subjective in nature and involve some uncertainties and matters of judgment (e.g. valuation, interest rate, etc.) and therefore, cannot be determined with precision.

46.3 Property, plant and equipment

The Company reviews the rate of depreciation, useful life, residual value and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

46.4 Stock-in-trade and stores and spares

The Company reviews the net realizable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock-in-trade and stores and spares with a corresponding affect on the amortization charge and impairment. Net realizable value is determined with respect to estimated selling price less estimated expenditures to make the sales.

46.5 Interest rate and cross currency swap

The Company has entered into various interest rates and cross currency swap over the last year. The calculation involves use of estimates with regard to interest and foreign currency rates which fluctuate with the market forces.

47 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital and level of dividends to ordinary shareholders. The Company seeks to keep a balance between the higher return that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using the gearing ratio which is debt divided by total capital employed. Debt comprises long term finances including current maturity. Total capital employed includes total equity as shown in the statement of financial position plus debt. The Company's strategy is to maintain an optimal capital structure in order to minimize cost of capital. Gearing ratio of the Company as at the reporting date is as follows:

Total debt	3,880,840,323	4,161,199,848
Total equity	10,962,155,477	10,863,113,682
	14,842,995,800	15,024,313,530

Gearing	26.15%	27.70%
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There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements, except those, related to maintenance of debt covenants, commonly imposed by the providers of debt finance.

48 Fair Value Measurements
48.1 Financial Instruments

There are no recurring or non-recurring fair value measurements as at the reporting date. The management considers the carrying amount of all the financial instruments approximate to their fair values.

48.2 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than certain financial instruments are measured at fair value.

Bhanero Textile Mills Limited**Notes to the Financial Statements****For The Year Ended June 30, 2025****49 PLANT CAPACITY AND ACTUAL PRODUCTION****Spinning & Weaving**

Number of spindles installed	99,696	99,696
Number of looms installed	162	162
Installed capacity of yarn converted in 20/1 (kgs.)	36,059,042	36,059,042
Actual production of yarn (Kgs.)	27,214,319	26,188,158
Installed capacity of fabric based on 50 picks- meters	35,351,345	35,351,345
Actual production of fabric- meters	24,200,352	22,709,366

It is difficult to precisely describe production capacity and the resultant production converted into base count in the textile industry since it fluctuates widely depending on various factors such as count of yarn spun, raw materials used, spindles speed and twist etc. It would also vary accordingly to pattern of production adopted in a particular year.

50 NUMBER OF EMPLOYEES

As at the reporting date	1,625	1,609
Average for the year	1,629	1,618

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on September 30, 2025.

52 CORRESPONDING FIGURES

Corresponding figures have been re-arranged where necessary to facilitate comparison.

53 GENERAL

The figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER

Bhanero Textile Mills Limited

Historical Data for the Year Ended June 30, 2025

Year-Wise Operating Data

2025	2024	2023	2022	2021	2020
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Spinning Unit

Spindle installed	99,696	99,696	99,696	80,112	80,112	80,112
Spindles worked	99,696	99,696	99,696	80,112	80,112	80,112
Installed capacity after conversion into 20/s count - Kg	36,059,042	36,059,042	22,185,705	14,810,385	14,810,385	14,810,385
Actual production - Kg	27,214,319	26,188,158	13,426,536	13,001,202	12,223,351	10,727,209

Weaving Unit

Air jet looms installed	162	162	162	162	162	162
Air jet looms worked	162	162	162	162	162	162
Installed capacity after conversion into 50 picks - Meter	35,351,345	35,351,345	34,016,175	34,016,175	26,566,890	26,566,890
Actual production - Meter	24,200,352	22,709,366	22,335,314	24,019,600	21,117,435	17,372,400

Year-Wise Financial Data

2025	2024	2023	2022	2021	2020
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Rupees in Thousands**Profit and loss account**

Turnover (Net)	32,907,547	33,057,245	18,545,108	17,252,509	12,158,113	8,923,611
Gross profit	2,588,140	3,033,812	2,990,228	4,074,380	2,731,698	823,552
Operating profit	1,272,230	1,677,967	2,289,771	3,321,097	2,243,984	637,077
Financial expenses	1,160,308	1,866,240	745,266	137,883	83,005	181,440
Profit/(Loss) before tax	111,922	(188,273)	1,544,505	3,183,214	2,160,979	455,636
Profit/(Loss) after tax	114,229	(131,761)	1,581,480	2,758,155	1,850,706	329,399
Cash dividend	-	-	106,434	214,500	214,500	150,000

Balance Sheet

Share Capital	30,410	30,410	30,000	30,000	30,000	30,000
Reserves	9,108,598	9,108,598	9,109,008	8,000,000	6,300,000	4,800,000
Shareholder equity	10,962,155	10,863,114	11,102,912	9,500,474	6,763,064	4,919,120
Long term loans	2,988,011	3,300,068	3,602,309	2,816,944	1,077,029	1,090,593
Short term loan	7,908,084	7,770,606	7,321,871	-	-	1,570,614
Current liabilities	12,002,815	11,427,658	10,318,683	2,308,655	1,082,598	2,256,905
Current portion of long term loans	892,829	861,132	664,200	336,848	212,470	21,515
Fixed assets	8,457,907	8,755,049	8,855,092	4,607,486	2,911,960	3,004,663
Current assets	18,002,690	17,548,239	17,009,355	8,726,406	6,372,300	57,333,761

Ratios	2025	2024	2023	2022	2021	2020
Performance						
Sales growth percentage - Year to Year basis	-0.45%	78.25%	7.49%	41.90%	36.25%	-4.54%
Gross profit (%)	7.86%	9.18%	16.12%	23.62%	22.47%	9.23%
Profit before tax (%)	0.34%	-0.57%	8.33%	18.45%	17.77%	5.11%
Profit after tax (%)	0.35%	-0.40%	8.53%	15.99%	15.22%	3.69%
Breakup value per share - Rupees per share	3,604.79	3,572.22	3,700.97	3,166.82	2,254.35	1,639.71
Market value of share - at the year end - Rupees per share	989.00	1,050.00	948.33	1,465.00	1,050.00	770.01
Earnings/(Loss) per share - Rupees per share	37.56	(43.36)	468.11	919.38	616.90	109.80
Price earning ratio	26.33	(24.22)	2.03	1.59	1.70	7.01
Leverage						
Gearing ratio	1.13	1.23	1.21	0.48	0.19	0.55
Debt to equity (%)	27.26%	30.38%	32.44%	29.65%	15.93%	22.17%
Interest covering ratio	1.10	0.90	3.07	24.09	27.03	3.51
Liquidity ratio						
Current ratio	1.50	1.54	1.65	3.78	5.89	25.40

BHANERO TEXTILE MILLS LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2025

SR #	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
1	Directors, Chief Executive Officer, and their spouse and minor children.	30	1,337,870	43.99
2	Associated Companies, Undertaking and Related Parties	23	1,054,970	34.69
3	Insurance Company	1	17,814	0.59
4	Share holders holding 10% - Associated Undertaking	1	500,600	16.46
5	General Public			
	Local	397	128,962	4.24
	Foreign	-	-	-
6	Other Companies	3	748	0.02
7	Joint Stock Companies	-	-	-
		455	3,040,964	100.00

**DETAIL OF PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2025
INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE**

SR #	CATEGORIES OF SHAREHOLDERS	PERCENTAGE	NUMBER OF SHARES HELD
1	ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES		
	ADMIRAL (PVT) LTD	16.46	500,600
	MR. MOHAMMAD SHAKEEL	0.73	22,227
	MR. ADIL SHAKEEL	4.92	149,487
	MR. FARRUKH SALEEM	2.02	61,431
	MR. SAQIB SALEEM	1.71	52,020
	MR. MUHAMMAD QASIM	8.65	263,181
	MR. FAISAL SHAKEEL	4.94	150,237
	MR. ABDULLAH BILAL	2.03	61,758
	MR. YAHYAA FURRUKH	2.44	74,182
	MR. MOHAMMAD UMAR	0.02	520
	MRS. NAZLI BEGUM	4.21	127,960
	MRS. SABA SAQIB	2.76	83,891
	MRS. SUMBUL QASIM	0.23	6,868
	MRS. MARIUM ADIL	0.04	1,208
2	DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		
	MR. MUHAMMAD SALEEM	0.73	22,048
	MR. MUHAMMAD SHAHEEN	1.46	44,475
	MR. HAMZA SHAKEEL	4.94	150,147
	MR. KHURRAM SALEEM	2.06	62,666
	MR. YOUSUF SALEEM	1.67	50,674
	MR. BILAL SHARIF	2.49	75,689
	MR. MUHAMMAD AMIN	3.18	96,808
	MR. MUSTAFA TANVIR	0.02	500
	MR. ASIF ELAHI	0.02	500
	MR. TAUQEER AHMED SHEIKH	0.02	500
	MRS. YASMIN BEGUM	1.00	30,410
	MRS. SEEMA BEGUM	0.51	15,542
	MRS. AMNA KHURRAM	2.44	74,247
	MRS. SAMIA BILAL	11.06	336,228
	MRS. FATIMA AMIN	5.70	173,245
	MRS. SABA YOUSUF	2.72	82,700
	MASTER AZAAN BILAL	2.00	60,746
	MASTER ALI BILAL	2.00	60,745

3	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS AND INSURANCE COMPANIES		
	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	0.59	17,814
4	JOINT STOCK COMPANIES	0.00	-
5	OTHER COMPANIES	0.02	748
6	GENERAL PUBLIC		
	A. Local	4.24	128,962
	B. Foreign	0.00	-
	TOTAL	100.00	3,040,964
7	DETAIL OF TRADING IN THE SHARES BY THE DIRECTORS, CEO COMPANY SECRETARY AND THEIR SPOUSES AND MINOR CHILDREN	Nil	Nil
8	SHAREHOLDERS HOLDING 10% OR MORE VOTING INTEREST		
	ADMIRAL (PVT) LTD	16.46	500,600

BHANERO TEXTILE MILLS LIMITED
PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2025

NUMBERS OF SHAREHOLDERS	SHARE HOLDING		TOTAL SHARES HELD	Percentage
	FROM	TO		
339	1	100	8,625	0.28
44	101	500	12,392	0.41
19	501	1000	16,358	0.54
22	1001	5000	49,554	1.63
2	5001	10000	15,868	0.52
2	15001	20000	33,356	1.10
3	20001	25000	64,337	2.12
1	25001	30000	29,872	0.98
1	40001	45000	42,780	1.41
3	50001	55000	155,164	5.10
3	55001	60000	176,142	5.79
2	60001	65000	121,100	3.98
3	70001	75000	220,400	7.25
2	80001	85000	165,600	5.45
1	90001	95000	94,622	3.11
1	125001	130000	125,579	4.13
3	145001	150000	442,904	14.56
1	170001	175000	170,400	5.60
1	260001	265000	261,028	8.58
1	330001	335000	334,283	10.99
1	500001	505000	500,600	16.46
455			3,040,964	100.00








* Note: The slabs representing nil holding have been omitted.








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This disclosure is being added as per requirements of Securities and Exchange
Commission of Pakistan vide SRO 924(1) / 2015, dated 09 September 2015.

ڈائریکٹرز کی رپورٹ

بھنیرو ٹیکسٹائل ملز لمیٹڈ کے ڈائریکٹرز کو 30 جون 2025 کو ختم ہونے والی کمپنی کے مالی بیانات کے بارے میں آڈیٹرز کی رپورٹ کے ساتھ سالانہ رپورٹ پیش کرنے میں بے حد خوشی ہے۔

کلیدی مالیاتی اشار

بورڈ آف ڈائریکٹرز 30 جون 2025 کو ختم ہونے والے سال کے مالیاتی نتائج ذیل میں پیش کرتا ہے:

Statement of Profit or Loss For The Year Ended June 30, 2025

	June 30, 2025 Rupees	June 30, 2024 Rupees
Sales	32,907,546,738	33,057,244,654
Cost of sales	(30,319,406,417)	(30,023,432,811)
Gross profit	2,588,140,321	3,033,811,843
Other income	193,598,624	128,313,555
	2,781,738,945	3,162,125,398
Distribution cost	(691,835,314)	(757,124,365)
Administrative expenses	(381,672,868)	(335,713,971)
Other operating expenses	(24,656,283)	(33,376,153)
Finance cost	(1,160,308,271)	(1,866,239,907)
	(2,258,472,736)	(2,992,454,396)
Profit before Levies and taxation	523,266,210	169,671,002
Levies	(411,344,334)	(357,944,172)
Profit / (Loss) before taxation	111,921,876	(188,273,170)
Taxation	2,307,177	56,512,019
Profit / (Loss) after taxation for the year	114,229,053	(131,761,151)
Earnings / (Loss) per share - basic & diluted	37.56	(43.36)

PKR 114,229,053 کمپنی نے مالی سال ختم شدہ 30 جون 2025 کے دوران معمولی بحالی کا مظاہرہ کیا اور بعد از ٹیکس منافع کے نمایاں خسارے کے مقابلے میں بہتری کی علامت ہے۔ موجودہ (131,761,151) PKR حاصل کیا، جو گزشتہ سال 30 جون 2024 کو ہونے والے سال کے دوران سیلز ریونیو میں معمولی طور پر 0.45 فیصد کمی واقع ہوئی۔ کمپنی نے مالی سال کے دوران بہتر قیمت حاصل کرنے میں جدوجہد کی، جس کی بنیادی وجہ عالمی سطح پر ٹیکسٹائل کی کمزور طلب رہی، جہاں صارفین اقتصادی غیر یقینی صورتحال کے باعث فیشن اور ہوم ٹیکسٹائل جیسے غیر ضروری اشیاء پر کم خرچ کر رہے ہیں۔

کمپنی کو سست رفتاری سے ہونے والی فروخت اور قیمتوں کے بڑھتے ہوئے دباؤ کے باعث انوینٹری کی سطح میں اضافہ کا سامنا ہے۔ مزید برآں توانائی کی لاگت گزشتہ سال کی طرح بلند رہی، جو فروخت کی کل لاگت میں تقریباً 11 فیصد حصہ رکھتی ہے۔

ہم کمپنی کو درپیش موجودہ چیلنجز کو بخوبی سمجھتے ہیں اور آئندہ برسوں میں مالیاتی حیثیت کو بہتر بنانے کے لیے پرعزم ہیں۔ بورڈ اس امر کی تصدیق کرتا ہے کہ کمپنی کو درپیش چیلنجز سے نمٹنے کے لیے فعال اقدامات کیے جا چکے ہیں۔

افراط زر اور پالیسی ریٹ میں جاری کمی سے لاگت کے دباؤ میں نرمی آئی ہے، جبکہ شرح سود میں کمی نے ٹیکسٹائل سیکٹر کو مارجن بہتر بنانے کرنے اور برآمدات میں اضافے کے لیے اعتماد کے ساتھ سرمایہ کاری BMR ورکنگ کیپیٹل کی ضروریات پوری کرنے، مشینری کی اپ گریڈیشن کے لیے کرنے کے قابل بنایا ہے۔ ان بہتریوں کے باوجود، توانائی کا شعبہ اب بھی ایک بھاری بوجھ ہے، جہاں طویل مدتی مسابقت کے لیے ساختی اصلاحات کلیدی حیثیت رکھتی ہیں

منافع اور ذخائر مختص

PKR کمپنی نے رواں سال کے دوران 30 جون 2025 کو ختم ہونے والے مالی سال کے دوران ملین روپے کا ٹیکس کے بعد منافع پوسٹ کر کے معمولی ریکوری کا مظاہرہ کیا ہے جو کہ 30 جون 2025 کو ختم ہونے والے پچھلے سال 114.229 - ٹیکس کے بعد خالص منافع معمولی PKR0.35 کے پی ایس 537 پر PS637 ملین کے خاطر خواہ نقصان سے جہاں (131.761) PKR کے دوران فیصد رہا۔

سال کے دوران، کمپنی انوینٹری اور تجارتی قرض دہندگان کی اعلیٰ سطح لے کر جا رہی ہے جس کے لیے آپریشنز کو برقرار رکھنے کے لیے ورکنگ کیپیٹل کی ضرورت ہوتی ہے جبکہ خام کپاس کی قیمتوں میں اتار چڑھاؤ اور توانائی کی بڑھتی قیمتوں نے منافع کے مارجن کو نمایاں طور پر متاثر کیا ہے۔ جغرافیائی سیاسی تناؤ اور تجارتی پالیسیوں میں تبدیلی کی وجہ سے ٹیکسٹائل مصنوعات کی عالمی مانگ متضاد رہی ہے، جس سے مالی احتیاط برتنے کی ضرورت ہے۔

اسی مناسبت سے، آڈٹ کمیٹی کی سفارش پر بورڈ نے 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے مالی استحکام کو برقرار رکھنے کے لیے آمدنی کو برقرار رکھنے کا انتخاب کیا ہے، موجودہ عالمی اور ملکی اقتصادی غیر یقینی صورتحال کے درمیان احتیاط کا حوالہ دیتے ہوئے

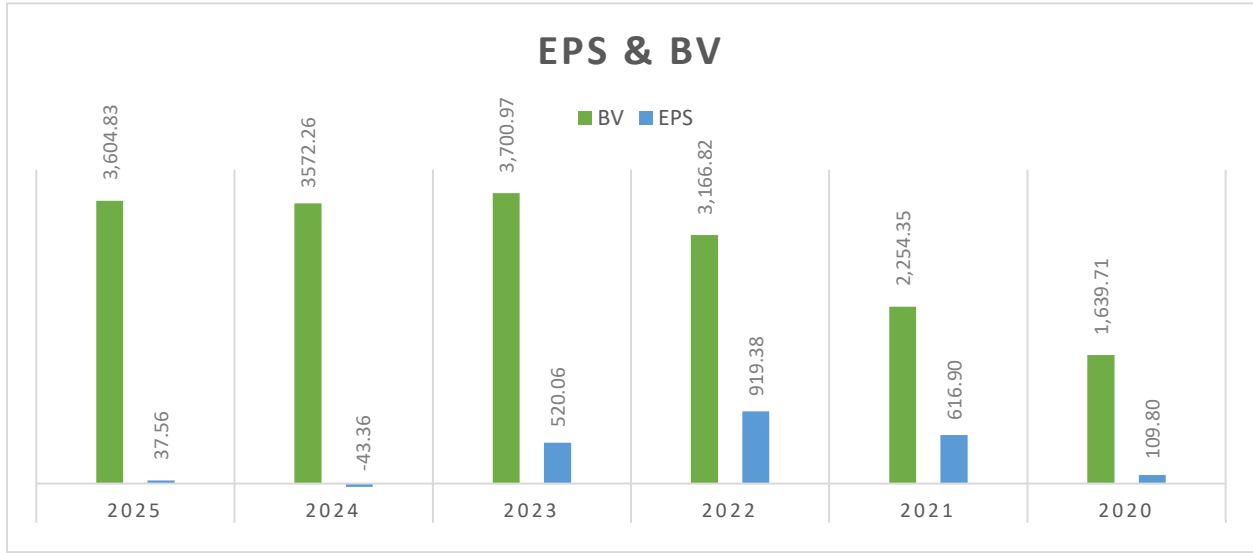
بہر حال، بورڈ آف ڈائریکٹرز کی جانب سے سال کے دوران منافع اور معاشی استحکام کی بنیاد پر عبوری منافع کے اعلان پر غور کیا جائے گا۔

فی شیئر آمدنی اور بریک اپ ویلیو

کو ایک کلیدی اشاریہ کے طور پر (EPS) سرمایہ کار عمومی طور پر فی شیئر آمدنی استعمال کرتے ہیں تاکہ کسی کمپنی کی مستقبل میں منافع کی صلاحیت اور مجموعی مالی مضبوط منافع بخشی کی عکاسی کرتا ہے EPS استحکام کا اندازہ لگایا جا سکے۔ زیادہ ، اور سرمایہ کاروں کے سرمائے کے مؤثر استعمال کی نشاندہی کرتا ہے۔ اس کے علاوہ بریک اپ ویلیو کسی کمپنی کی اندرونی مالی مضبوطی کا پیمانہ فراہم کرتی ہے، جو

سرمایہ کاروں کو اثاثہ جات کی اصل طاقت اور لیکویڈیشن کی صلاحیت کو جانچنے میں مدد دیتی ہے۔

، رہا EPS PKR 37.56 مالی سال ختم شدہ 30 جون 2025 کے دوران بنیادی اور مخفف تھا۔ (43.36) PKR جبکہ گزشتہ سال 2024 میں بنیادی اور مخفف فی شیئر خسارہ PKR اسی طرح، مالی سال ختم شدہ 30 جون 2025 کے دوران فی شیئر بریک اپ ویلیو ، رہی 3,604.83



ورکنگ کیپیٹل مینجمنٹ

کمپنی نے اپنے اثاثوں اور واجبات کے لیے ایک چوکس نگرانی کا فریم ورک قائم کیا ہے، جس سے قلیل مدتی آپریٹنگ اخراجات اور قرض کی ذمہ داریوں کو مؤثر طریقے سے پورا کرنے کے لیے بہترین لیکویڈیٹی مینجمنٹ کو یقینی بنایا گیا ہے۔

ملین طویل مدتی قرضوں اور قرضوں کی خدمت کی PKR 1,409.377 اور PKR 668.245 ملین 30 مد میں ادائیگیاں کی گئیں۔ 2025 (سال 2024: 1.54)۔ یہ کمپنی کی اپنے موجودہ اثاثوں کے ذریعے اپنی مختصر مدت کی ذمہ داریوں کو آرام سے پورا کرنے کی مسلسل صلاحیت کی نشاندہی کرتا ہے۔

کیپٹل سٹرکچر

کمپنی اپنی آپریشنل ضروریات اور اسٹریٹجک سرمایہ کاری کو پورا کرنے کے لیے قرض اور ایکویٹی فنانسنگ کا متوازن مرکب استعمال کرتی ہے۔ یہ نقطہ نظر ایک مستحکم سرمائے کے ڈھانچے میں حصہ ڈالتا ہے، مؤثر طریقے سے کمپنی کے رسک پروفائل کا انتظام کرتا ہے اور طویل مدتی مالی استحکام کو فروغ دیتا ہے۔

کے (ملین PKR 10,863.114: 2024) جون 2025 کو ختم ہونے والے موجودہ مالی سال 30 ملین ہے جو کمپنی کی مالی مضبوطی PKR 10,961.450 دوران شیئر ہولڈر کی ایکویٹی اور طویل مدتی استحکام کے عزم کی عکاسی کرتی ہے۔

جون 2025 کو ختم ہونے والے اسی سال کے دوران کمپنی کا گیٹرنگ ریشو 1.23 سے 30 کم ہو کر 1.13 ہو گیا، جو کم مالی لیوریج کی نشاندہی کرتا ہے۔ اس سطح کو معقول سمجھا جاتا ہے اور مالی طور پر مستحکم کمپنی کے لیے کم خطرے کی عکاسی کرتا

قابل تجدید توانائی کے اقدامات

اب تک، کمپنی نے کراچی اور پنجاب یونٹس میں تقریباً 12.70 میگا واٹ شمسی توانائی کی تنصیب کے لیے قابل تجدید توانائی کے اقدامات کیے ہیں۔ آئندہ مالی سال 2025-کے دوران مزید 3.85 میگا واٹ شمسی توانائی کا اقدام زیر غور ہے۔ 26

کریڈٹ ریٹنگ

(A Plus/A One سنگل) A+/A-1 بستی کی درجہ بندی A+/A- دی گئی ریٹنگز پر 'مستحکم' آؤٹ لک کے ساتھ Messer's VIS پر دی گئی ریٹنگز پر 'مستحکم' آؤٹ لک کے ساتھ 30 جنوری 2025 کو کریڈٹ ریٹنگ کمپنی لمیٹڈ کے جائزے پر مبنی ہے۔

مالیاتی گوشوارے

جیسا کہ کمپنیز ایکٹ 2017 کے تحت ضرورت ہے، پی ایس ایکس کے ریگولیشن ریگولیشنز اور ایس ای سی پی کی طرف سے جاری کردہ ہدایات چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے 30 جون 2025 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی بیانات پیش کیے، ان کے متعلقہ دستخطوں کے تحت غور کے لیے توثیق کی گئی، جاری کرنے اور گردش کے لیے بورڈ آف ڈائریکٹرز کی منظوری اور اجازت۔ کمپنی کے مالیاتی بیانات کو کمپنی کے آڈیٹرز، مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے باقاعدہ طور پر آڈٹ کیا ہے اور آڈیٹرز نے 30 جون 2025 کو ختم ہونے والے سال کے مالی بیانات پر صاف آڈٹ رپورٹ جاری کی ہے اور کوڈ کے بیان پر صاف جائزہ رپورٹ کارپوریٹ گورننس ریگولیشنز، 2019 "کوڈ"۔ یہ رپورٹیں مالی بیانات کے ساتھ منسلک ہیں۔

اکاؤنٹنگ کے معیارات

کمپنی کی اکاؤنٹنگ پالیسیاں کمپنیز ایکٹ 2017 اور اس طرح کے منظور شدہ بین الاقوامی اکاؤنٹنگ سٹینڈرڈز اور انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز کی مکمل طور پر عکاسی کرتی ہیں جیسا کہ اس ایکٹ کے تحت اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری ہدایات کے ذریعے مطلع کیا گیا ہے۔

منظر نامہ ٹیکسٹائل سیکٹر عالمی

عالمی ٹیکسٹائل کی صنعت کو نمایاں سست روی کا سامنا ہے اور کئی ایک دوسرے سے جڑے ہوئے عوامل اس رجحان کو آگے بڑھا رہے ہیں۔ ان عوامل میں سے ریاست ہائے متحدہ امریکہ کی طرف سے حالیہ محصولات کا نفاذ، پائیداری پر بڑھتا ہوا زور اور مغربی دنیا میں تجارتی پالیسیوں کو تیار کرنا۔ وہ ممالک جو پہلے مزدوری کی کم لاگت پر انحصار کرتے تھے اب اعلیٰ قدر والے طبقوں کی طرف منتقل ہو رہے ہیں، جن میں تکنیکی ٹیکسٹائل اور ماحولیاتی طور پر ذمہ دار مینوفیکچرنگ کے طریقے شامل ہیں اور پاکستان بھی اس تبدیلی سے مستثنیٰ نہیں ہے۔

پاکستان میں، توانائی کی بڑھتی ہوئی قیمتوں اور قرضے کی بلندی کی لاگت نے ٹیکسٹائل سیکٹر کے منافع میں نمایاں کمی کی۔ یہ مالی دباؤ رجعت پسند مالیاتی پالیسیوں سے بڑھتے ہیں، جس نے خاص طور پر تنگ مارجن پر کام کرنے والے برآمد کنندگان کے لیے لیکویڈیٹی کو شدید دباؤ میں ڈال دیا ہے۔ کیپیٹو پاور لیوی کا نفاذ اور سیلز ٹیکس ریفرنڈم میں تاخیر نے مالی دباؤ بڑھا دیا، جس کے نتیجے میں بڑے پیمانے پر کارخانے بند ہو گئے اور پیداواری صلاحیت کم ہو گئی۔ ٹیکسٹائل کا شعبہ برآمدی آرڈرز کی پیداواری ٹائم لائنز پر عمل کرنے کے لیے بلا تعطل اور مستقل توانائی کی فراہمی پر بہت زیادہ انحصار کرتا ہے۔ تاہم، حکومت کی جانب سے صنعتوں کو قومی گرڈ پر منتقل کرنے کے لیے دباؤ نمایاں چیلنجز کا باعث بنتا ہے، کیونکہ گرڈ میں بہت سے صنعتی زونز میں قابل اعتماد اور باقاعدہ رابطے دونوں کا فقدان ہے۔ ایک اور اہم عنصر پاکستان کی کپاس کی پیداوار ہے جس میں سال بہ سال 30 فیصد کمی کے مطابق 31 جولائی 2025 تک جنگ فیکٹریوں میں صرف 594,000 PCGA، واقع ہوئی گانتھیں پہنچیں۔ اس سے کسانوں پر مالی دباؤ بڑھ گیا، جنہیں ان پٹ کی بڑھتی ہوئی لاگت اور منصفانہ مارکیٹ کی قیمتوں کو حاصل کرنے کے لیے جدوجہد کا سامنا ہے۔ ایکسپورٹ فیسیلیٹیشن سکیم (اب واپس لے لی گئی ہے) کے تحت بگاڑ کی وجہ سے صورتحال مزید خراب ہو گئی ہے، جو روئی، دھاگے اور تانے بانے کی ڈیوٹی فری درآمد کی اجازت دیتی ہے، جب کہ مقامی پیداوار 18 فیصد سیلز ٹیکس سے مشروط ہے جو مقامی پروڈیوسرز

اور جنرز کو نقصان پہنچاتی ہے۔ پچھلی دہائی کے دوران، بیج کی ناقص کوالٹی، غیر موثر کیڑوں پر قابو پانے اور موسمیاتی تبدیلیوں کی وجہ سے اوسط پیداوار 802 کلوگرام سے کم ہو کر 475 کلوگرام فی ہیکٹر پر آ گئی ہے۔

پائیدار طریقوں اور سبز ٹیکنالوجیز کی طرف تزویراتی تبدیلی کے بغیر، اس شعبے کو عالمی منڈیوں میں اپنی مسابقتی برتری کھونے کا خطرہ ہے۔ مزید برآں، بین الاقوامی (CBAM) آب و ہوا کے ضوابط، بشمول یورپی یونین کا کاربن بارڈر ایڈجسٹمنٹ میکانزم برآمد کنندگان کے لیے تعمیل کے اخراجات بڑھا رہے ہیں جو ماحولیاتی معیارات پر، اہم ملکی اور عالمی سطح پر مشکلات کا سامنا کرنے کے باوجود پورا نہیں اترتے۔۔

مالی سال 2024-25 میں پاکستان کی ٹیکسٹائل کی برآمدات میں 7.22 فیصد اضافے سے بلین امریکی ڈالر تک پہنچ گئی، جو کہ گزشتہ مالی سال 2023-24 کے 16.68 17.88 بلین امریکی ڈالر سے زیادہ تھی۔ جب کہ سوتی دھاگے اور کپڑے جیسے اوپر والے حصوں میں نمایاں کمی دیکھی گئی، قدر میں اضافے کی مصنوعات جیسے کہ نٹ ویئر اور ریڈی میڈ گارمنٹس نے مضبوط نمو ظاہر کی، جو عالمی طلب میں تبدیلی اور پاکستان کے ابھرتے ہوئے برآمدی مرکب کی عکاسی کرتی ہے۔

چونکہ ٹیکسٹائل اور ملبوسات پاکستان کی معیشت میں ریڑھ کی ہڈی کی حیثیت رکھتے ہیں، اس لیے طویل مدتی عالمی مارکیٹ شیئر کو محفوظ بنانے کے لیے ٹھوس اقدامات کی ضرورت ہے، اس لیے حکومت کو ترجیح دینی چاہیے

- مینوفیکچرنگ لاگت کو کم کرنے اور آب و ہوا کی تعمیل کے معیارات کو پورا کرنے کے لیے قابل تجدید توانائی کے لیے طویل مدتی فنانشنگ۔
- جدت طرازی اور پیداواری صلاحیت کو بہتر بنانے کے لیے تحقیق اور ترقی میں سرمایہ کاری۔
- روایتی برآمدی مقامات پر انحصار کم کرنے کے لیے مارکیٹ میں تنوع کی حکمت عملی۔
- سپلائی چین میں ناکارہیوں کو ختم کرنے کے لیے ساختی اصلاحات۔

، کپاس کی پیداوار کا احیاء بھی اتنا ہی اہم ہے، جو زیادہ پیداوار دینے والی بیماریوں سے بچنے والی بیج کی اقسام کی دستیابی کو یقینی بنانے کے لیے فوری کارروائی کا مطالبہ کرتا ہے۔ کپاس کی بنیاد کو مضبوط بنانے سے ٹیکسٹائل کی پوری -ویلیو چین کو تقویت ملے گی اور برآمدی مسابقت میں اضافہ ہوگا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کے ساتھ درج کمپنیوں کے لیے ریگولیشن 36 (1) کے تحت تعمیل کا بیان منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک پر بیان:

کمپنی کے ڈائریکٹرز کمپنیز ایکٹ 2017، کوڈ آف کارپوریٹ گورننس 2019 "ضابطہ"، پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ہدایات کے تحت اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں۔ ریگولیشنز کی تعمیل کے ایک حصے کے طور پر ہم مندرجہ ذیل کی تصدیق کرتے ہیں:

financial یہ مالیاتی بیانات ، جو کمپنی کے انتظام کے ذریعہ تیار کیے گئے ہیں ، اس کے معاملات کی منصفانہ حالت ، اس کے کام کا نتیجہ ، نقد بہاؤ اور ایکوٹی میں تبدیلیوں کو پیش کرتے ہیں۔

the کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔

account مناسب حساب کتاب کی پالیسیوں کو مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ معقول اور سمجھدار فیصلے پر مبنی ہے۔

• بین الاقوامی مالیاتی رپورٹنگ کے معیارات ، جیسا کہ پاکستان میں لاگو ہوتا ہے ، مالی بیانات کی تیاری میں عمل کیا گیا ہے۔

internal اندرونی کنٹرول کا نظام ڈیزائن میں درست تھا اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔

the کمپنی کی مستقل تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں تھے۔

corporate کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی روانگی نہیں ہوئی ، جیسا کہ فہرست سازی کے قواعد و ضوابط میں تفصیلی ہے۔

• ہم نے ڈائریکٹرز اور ملازمین کے درمیان ایک ضابطہ اخلاق اور کاروباری حکمت عملی تیار اور گردش کی ہے۔

Direct بورڈ آف ڈائریکٹرز نے ویژن اور مشن کا بیان اور مجموعی کارپوریٹ حکمت عملی کا بیان اپنایا ہے۔

• تمام ڈائریکٹرز اس کے بورڈ اور جنرل میٹنگ میں یا تو جسمانی طور پر یا ویڈیو کانفرنس کے ذریعے شریک ہوئے ہیں جب تک کہ معقول وجہ کی وجہ سے روک نہ لیا جائے۔

• تمام ڈائریکٹرز کو ان کی ذمہ داریوں ، کرداروں ، معاوضوں ، اختیارات اور ذمہ داری کے ساتھ ان کی شرائط کے آغاز پر کوڈ آف کارپوریٹ گورننس ، کمپنیز ایکٹ اور آرٹیکل آف ایسوسی ایشن کے مطابق تفویض کیا جاتا ہے۔

the کمپنی کے تمام ڈائریکٹرز کو ڈائریکٹر ٹریننگ پروگرام (ڈی ٹی پی) کے تحت منظور شدہ / چھوٹ دی گئی ہے جیسا کہ کوڈ آف کارپوریٹ

گورننس ریگولیشنز ، 2019 کی ضرورت ہے۔

• بورڈ آف ڈائریکٹرز کی جانب سے انسانی وسائل، وسل بلوئر، پروکیورمنٹ، اسٹیک ہولڈرز کے ساتھ کمیونیکیشن میکانزم، متعلقہ فریق،

ماحولیات، صحت اور حفاظت، ڈائریکٹر کا معاوضہ، اینٹی منی لانڈرنگ اور رسک مینجمنٹ، ماحولیاتی، سماجی اور گورننس، کام کی جگہ پر

خواتین کو ہراساں کرنے کے خلاف تحفظ کے تحت تجویز کردہ میکانزم کو شامل کر کے ملازمین کے لیے ہراساں کرنے کے خلاف کارروائی ایکٹ 2010

وغیرہ۔

• کارکردگی کے جائزہ میں صنفی تنخواہ کے فرق کا انکشاف کیا ESG کمپنی نے 2024 ، 30 کو ختم ہونے والے سال کے دوران کمپنی کی طرف سے

ہے جیسا کہ 2024 کے سرکلر 10 کے تحت 17 اپریل 2024 کو درکار ہے۔

• جیسا کہ کوڈ آف کارپوریٹ گورننس ریگولیشنز ، 2019 اور کمپنیز ایکٹ 2017 (ایکٹ) کے تحت ضرورت ہے ، ہم نے مندرجہ ذیل معلومات کو

اس رپورٹ میں شامل کیا ہے۔

شیئر ہولڈنگ کے پیٹرن کا بیان الگ سے دیا گیا ہے۔

o متعلقہ کاروباری اداروں اور متعلقہ افراد کے حصص کا بیان۔

o سال کے دوران منعقد ہونے والے بورڈ میٹنگز اور سالانہ جنرل میٹنگ کا بیان اور ہر ڈائریکٹر کی حاضری الگ سے دی گئی ہے۔

o ایکٹ کے سیکشن 192 (4) کی دفعات کے تحت چیئرمین جائزہ رپورٹ۔

ضابطے کے ضابطہ 36 کے تحت چیئرمین کی طرف سے دستخط شدہ تعمیل کا بیان۔

six پچھلے چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کے ساتھ ساتھ ٹیکس اور لیویز کی معلومات کو منسلک آڈٹ شدہ مالی بیانات میں

مناسب طریقے سے ظاہر کیا گیا ہے۔

listed کمپنی ایس ای سی پی کی طرف سے جاری کردہ ہدایات کی سختی سے پیروی کرتی ہے جو کہ لسٹڈ کمپنیوں کے اندرونی تجارت کی ممانعت پر ہے اور کمپنی کے حصص میں کوئی تجارت اس کے ڈائریکٹر ، سی ای او ، سی ایف او ، کمپنی سیکرٹری ، ہیڈ آف انٹرنل آڈٹ اور ان کے میاں بیوی اور نابالغ بچوں کے علاوہ نہیں شیئر ہولڈنگ کے انداز میں انکشاف

شیئر ہولڈنگ کا نمونہ۔

شیئر ہولڈنگ کا پیٹرن اور اس سے متعلقہ معلومات اس کے مطابق منسلک ہیں۔

متعلقہ پارٹی لین دین

متعلقہ پارٹی ٹرانزیکشنز (RPT) اور ان کی حیثیت کا IAS 24 کے تحت ضرورت کی تعمیل کرتے ہوئے مناسب طور پر انکشاف کیا جاتا ہے۔ مزید برآں، SRO 768 (1) کے ذریعے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جاری کردہ نوٹیفیکیشن کے مطابق سب کے لیے ایک مضبوط پالیسی موجود ہے۔ (2019) اور گائیڈ لائنز کو کمپنی کی پالیسی میں لین دین اور ریکارڈ کی دیکھ بھال کے حوالے سے مناسب طریقے سے شامل کیا گیا ہے۔ آر پی ٹی کو اندرونی آڈٹ کے ذریعے باضابطہ طور پر منظور کیا گیا تھا جس کے بعد بورڈ میٹنگ میں اسے پیش کرنے سے پہلے آڈٹ کمیٹی کی منظوری لی گئی تھی، تاکہ اس بات کو یقینی بنایا جا سکے کہ کاروباری سرگرمی کے معمول کے دوران تمام لین دین مکمل طور پر مکمل ہوں۔ 30 جون 2025 کو ختم ہونے والے موجودہ مالی سال کے دوران تمام RPT کو ممبران کی منظوری کے لیے کمپنی کی جنرل میٹنگ کے سامنے پیش کیا جائے گا۔ اسی طرح، بورڈ نے 30 جون 2026 کو ختم ہونے والے مالی سال کے دوران کئے جانے والے لین دین کے لیے کمپنی کی جنرل میٹنگ میں ممبران کی منظوری حاصل کرنے کا بھی فیصلہ کیا ہے اور اسے اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائے گا۔ ان کی رسمی توثیق / منظوری۔

بورڈ کی تشخیص

کمپنی کی طرف سے سالانہ بنیادوں پر بورڈ کی کارکردگی اور تاثیر کا سخت جائزہ لیا گیا ہے۔ بورڈ کی تشخیص کا یہ باقاعدہ عمل، باہمی تعاون کے ساتھ فیصلہ سازی اور انفرادی ڈائریکٹرز کی مضبوط کارکردگی کو فروغ دیتا ہے۔ اس کے علاوہ، یہ بورڈ روم کے تنازعات کو کم کرنے اور گڈ گورننس اور ٹیم اسپرٹ کا کلچر قائم کرنے کے لیے ڈائریکٹرز کو مؤثر طریقے سے تعاون کرنے کی ترغیب دیتا ہے۔

ضابطہ کارپوریٹ گورننس کے ضابطہ 10(3)(v) کے مطابق، موجودہ مالی سال کے دوران اندرونی طور پر ایک مکمل اور اچھی طرح سے تشکیل شدہ داخلی جائزہ لیا گیا تاکہ بورڈ کے مجموعی کام کو بہتر بنانے کے لیے طاقت کے شعبوں اور ان شعبوں کی نشاندہی کی جا سکے جہاں بہتری لائی جا سکتی ہے۔ اور کارکردگی جس میں بورڈ کی اپنی کارکردگی، اراکین اور اس کی کمیٹیاں شامل ہوں۔

بورڈ کی تشکیل

ضابطہ 34 کے تحت ضرورت کے مطابق دس (10) ڈائریکٹرز کا بورڈ مندرجہ ذیل پر مشتمل ہے۔

Sr No	Category	Gender		Total
		Male	Female	
(i)	Independent Director	3	0	3
(ii)	Executive Directors	2	0	2
(ii)	Non- Executive Directors	4	1	5

بورڈ اور آڈٹ کمیٹی کے اجلاس

- تمام ڈائریکٹرز، میٹنگ میں شرکت کے اہل، کمپنی کی جنرل میٹنگز میں شرکت کی ہے۔ کوڈ کے ریگولیشن 10 (6) کے تحت ذاتی طور پر یا ویڈیو کانفرنس کے ذریعے جب تک کسی معقول کی وجہ سے ایسا کرنے سے روک دیا جائے۔ 2024-25 کے دوران بورڈ آف ڈائریکٹرز، آڈٹ کمیٹی اور ہیومن ریسورس اور معاوضہ کمیٹی کے اجلاس اور شرکت کی میٹنگ کی تعداد درج ذیل ہے۔

Sr	Name of Directors	Committees					
		Board of Directors		Audit		Human Resource and Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1.	Mr. Muhammad Salim	4	4	-	-	-	-
2.	Mr. Muhammad Shaheen	4	4	-	-	-	-
3.	Mr. Khurram Salim	4	4	-	-	-	-
4.	Mr. Bilal Sharif	4	4	6	6	-	-
5.	Mr. Muhammad Amin	4	3	-	-	1	1
6.	Mr. Hamza Shakeel	4	4	6	6	1	1
7.	Mr. Tauqeer Ahmed Sheikh	4	4	6	6	1	1
8.	Mr. Asif Elahi	4	4	-	-	-	-
9.	Mr. Mustafa Tanvir	4	4	-	-	-	-
10.	Mrs. Saba Yousaf	4	4	-	-	-	-

آڈٹ کمیٹی

Sr	Name	Designation	Category
i	Taqueer Ahmed Sheikh	Chairman	Independent Director
ii	Hamza Shakeel	Member	Non- Executive Director
iii	Bilal Sharif	Member	Non- Executive Director

آڈٹ کمیٹی تین ممبران پر مشتمل ہوتی ہے جس میں چیئرمین ایک آزاد ڈائریکٹر ہوتا ہے جبکہ باقی تمام نان ایگزیکٹو ڈائریکٹر ہوتے ہیں اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ شرائط کے تحت اپنی ذمہ داریاں نبھاتے ہیں۔

مالیاتی خواندہ ممبر کی تقرری ضابطہ کے باب X میں ضابطہ 27(1)(iii) کے مطابق کی گئی ہے۔

بورڈ آف ڈائریکٹرز کی منظوری سے قبل عبوری اور سالانہ مالیاتی گوشواروں کا جائزہ لینے کے لیے آڈٹ کمیٹی کے اجلاس باقاعدگی سے وقفہ وقفہ سے منعقد کیے جاتے تھے اور سال میں ایک بار بیرونی آڈیٹر کے ساتھ ایک اضافی میٹنگ ہوتی تھی۔ بغیر CFO اور دوسرے اندرونی آڈیٹر کے ساتھ CFO اور بیرونی آڈیٹر کی موجودگی کے بغیر۔

AC کمپنی کے بورڈ آف ڈائریکٹرز کا ایک ذیلی گروپ ہے جو کمپنی کی مالیاتی رپورٹنگ اور انکشاف کے عمل کی نگرانی کے لیے ذمہ دار ہے اور کمپنی کے عمل اور اندرونی کنٹرول سے مکمل آگاہی رکھتا ہے۔ اکاؤنٹنگ پالیسیوں اور اصولوں کے انتخاب پر نظر رکھنے اور قوانین اور ضوابط کی تعمیل کو یقینی بنانے کے لیے AC عام طور پر انتظامی ٹیم، آزاد آڈیٹر، اور اندرونی آڈیٹرز کے ساتھ رابطہ کرتا ہے۔

AC اس بات کو یقینی بناتا ہے کہ دھوکہ دہی کی روک تھام اور اس کی نشاندہی کے لیے مناسب پالیسیاں اور عمل موجود ہیں، جیسے کہ اثاثہ جات کا غلط استعمال، بدعنوانی، اور مالیاتی سٹیٹمنٹ فراڈ اور انتظامیہ کے ساتھ مل کر کام کرتا ہے تاکہ اس بات کو یقینی بنایا جا سکے کہ فراڈ کی نشاندہی پر ضروری اقدامات کیے جائیں۔

AC ضابطہ اخلاق کو لاگو کرنے اور موثر مواصلاتی چینلز کے قیام کو یقینی بنا کر تنظیم کے لہجے کو ترتیب دینے میں اہم کردار ادا کرتا ہے۔ AC اس بات سے پوری طرح واقف ہے کہ انتظامیہ قوانین اور ضوابط کی تعمیل حاصل کرنے کے لیے کیا کر رہی ہے، اور انہیں جاری تحقیقات اور تادیبی کارروائیوں جیسے مسائل کے بارے میں علم ہونا چاہیے۔ AC ممبران اجتماعی طور پر دھوکہ دہی کو روکنے کے لیے کام کرتے ہیں اور جان بوجھ کر اکاؤنٹنگ کی غلطیوں اور بے ضابطگیوں کا پتہ لگانے میں ماہر ہیں۔

انسانی وسائل اور معاوضہ کمیٹی

Sr	Name	Designation	Category
i	Taqueer Ahmed Sheikh	Chairman	Independent Director
ii	Mohammad Amin	Member	Non- Executive Director
iii	Hamza Shakeel	Member	Non- Executive Director

ہیومن ریسورس اینڈ ریمونریشن کمیٹی (HRRC) تین ممبران پر مشتمل ہے جن میں سے سبھی نان ایگزیکٹو ڈائریکٹر ہیں جبکہ چیئرمین ایک آزاد ڈائریکٹر ہیں۔ HRRC سی ای او کے انتخاب، تشخیص، معاوضہ (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کے لیے بورڈ کو انسانی وسائل کے انتظام کی اہم پالیسیوں کی سفارش کرتا ہے۔

HRRC کا مقصد کسی تنظیم کے بورڈ، انتظامی ٹیم اور اس کے ملازمین کی تاثیر کو بہتر بنا کر اس کی پیداواری صلاحیت کو زیادہ سے زیادہ کرنا ہے۔ HRRC بورڈ کو انسانی وسائل کے انتظام کی پالیسی کی سفارش کرنے کا ذمہ دار ہے۔ CEO، CFO اور کمپنی سکریٹری کے انتخاب، تشخیص، معاوضے (بشمول ریٹائرمنٹ فوائد) اور جانشینی کی منصوبہ بندی کی سفارش کرنے کی مجموعی ذمہ داری کمیٹی پر ہوگی۔ HRRC سینئر مینجمنٹ کی بھرتی اور تربیت، معاوضے، کارکردگی کا جائزہ، جانشینی کی منصوبہ بندی اور انسانی سرمائے کے موثر استعمال کے لیے اقدامات میں بورڈ اور انتظامیہ کی مدد کرتا ہے۔



کارپوریٹ سماجی ذمہ داری کی پالیسی

کمپنی کی اخلاقی، پائیدار اور ماحولیاتی ذمہ داریوں سے متعلق پالیسیاں تیار کرتی ہے اس بات کو یقینی بنا کر کہ کمپنی کا مقامی کمیونٹیز اور ماحول پر مثبت اثر پڑے۔

کمپنی کی اپنی کمیونٹی اور ماحولیات کے تئیں ایک سماجی ذمہ داری ہے کمپنی کے کاموں کے تمام پہلوؤں جیسے مسائل جو ماحول پر اثر انداز ہوتے ہیں جیسے کہ آلودگی، فضلہ، مصنوعات کی حفاظت اور مزدوری لیکن صرف کمیونٹی اور سماجی افراد کو فنڈز فراہم کرنے تک محدود نہیں۔ ماحول، بلکہ کمپنی سے متعلق فریقین کے ساتھ اچھے طویل مدتی تعلقات کو برقرار رکھنا بھی شامل ہے۔ کمپنی آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنے، قدرتی وسائل کے پائیدار استعمال، ضیاع کو کم سے کم اور مناسب طریقے سے ٹھکانے لگانے کے مقصد کے ساتھ ماحولیاتی برقرار رکھتے ہوئے اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے ایک جامع کارپوریٹ سماجی ذمہ داری (CRS) پالیسی کا انتظام کرتی ہے۔ مینوفیکچرنگ کے عمل کے دوران ری سائیکلنگ کو فروغ دینا۔

(پالیسی کی نگرانی CRS اقتصادی، سماجی اور ماحولیاتی طور پر پائیدار طریقے سے کام کرنے کے لیے، کمپنی ایک جامع کارپوریٹ سماجی ذمہ داری) کرتی ہے۔ اس پالیسی کا مقصد آلودگی اور گرین ہاؤس گیسوں کے اخراج کو کم کرنا، قدرتی وسائل کو پائیدار طریقے سے استعمال کرنا، فضلہ کو کم سے کم کرنا اور اسے مناسب طریقے سے ٹھکانے لگانا، اور مینوفیکچرنگ کے عمل کے دوران ری سائیکلنگ کی حوصلہ افزائی کرنا ہے۔ شمسی توانائی کے متبادل کے ذریعے پاکستان کی سورج کی روشنی کو استعمال کرتے ہوئے، قابل تجدید توانائی پائیدار ترقی اور ملک کے موجودہ توانائی کے مسئلے دونوں میں اہم کردار ادا کرتی ہے۔ کاربن کے اخراج کو کم کرنے، توانائی کی خودمختاری قائم کرنے اور ماحول کو بہتر بنانے کے لیے کارپوریشن نے سندھ اور پنجاب میں واقع اپنے یونٹوں میں قابل تجدید توانائی کے اقدامات نافذ کیے ہیں۔

صحت ، حفاظت اور ماحولیاتی پالیسی

کمپنی ایک محفوظ اور صحت مند کام کی جگہ کو یقینی بنانے اور ماحول کی حفاظت کے لیے پرعزم ہے اور اس بات پر پختہ یقین رکھتی ہے کہ حفاظت اور ماحول کی حفاظت ایک اچھا کاروبار ہے اور کام سے متعلق تمام چوٹیں، بیماریاں، املاک کے نقصانات اور منفی ماحولیاتی اثرات کو روکا جا سکتا ہے۔ اس عزم کو پورا کرنے کے لیے، کمپنی اس بات کو یقینی بناتی ہے کہ انتظامیہ کارکنوں اور ماحول کے تحفظ کی مکمل ذمہ داری قبول کرے۔ کسی بھی ملازم کے ساتھ کسی غیر متوقع حادثے کی صورت میں کارکنوں کے لیے ایک جامع گروپ لائف انشورنس پہلے سے ہی موجود ہے۔ کمپنی کراچی اور لاہور دونوں دفاتر میں اپنے انتظامی ملازمین کے لیے ہیلتھ پالیسی کے لیے بنائے گئے انتظامات بھی فراہم کرتی ہے۔ کمپنی صحت، حفاظت اور ماحولیاتی تحفظات کو کمپنی کے دیگر کاروباری مقاصد کے ساتھ مساوی حیثیت دیتی ہے اور انہیں کام کے تمام پہلوؤں میں ضم کرتی ہے اور صحت، حفاظت اور ماحولیاتی کارکردگی کو مسلسل بہتر بنانے کے لیے

فعال طور پر کوشش کرتی ہے۔ کمپنی کی پالیسی پانی اور فضائی آلودگی، کیمیائی اور تیل کے اخراج، سموگ، پینے کے پانی کے معیار، زمین کے تحفظ اور انتظام اور جنگلی حیات کے تحفظ پر چوکس ہے۔

ماحولیاتی، سماجی اور گورننس -

ایس ای سی پی کی جانب سے ای ایس جی گائیڈ لائنز کو اپنانے کے لیے بورڈ کے ذریعے اقدامات کیے جاتے ہیں۔

پائیداری کے خطرات سے نمٹنا

پائیداری کے خطرات غیر یقینی معاشرتی یا ماحولیاتی واقعات یا حالات ہیں جو کاروبار پر بہت زیادہ نقصان دہ اثر ڈال سکتے ہیں اگر یہ کام کرتا ہے۔ یہ ممکنہ موقع کو بھی گھیرے ہوئے ہیں جو ایک تنظیم ماحولیاتی یا سماجی حالات کی تبدیلی کے نتیجے میں ہو سکتی ہے۔ وسائل کے بڑھتے ہوئے اور غیر موثر استعمال کے اثرات ہیں جن میں موسمیاتی تبدیلی، حیاتیاتی تنوع کا نقصان، آلودگی، خراب صحت اور غربت شامل ہیں۔ یہ مسائل ایک دوسرے سے جڑے ہوئے ہیں اور اس کے نتیجے میں اکثر ایک دوسرے کو بڑھا دیتے ہیں۔ پانی، زمین، اور جیواشم ایندھن ٹیکسٹائل کی صنعت میں استعمال ہونے والے بہت سے قدرتی وسائل میں سے ہیں۔ یہ شعبہ پانی کا دوسرے بڑے پیمانے پر استعمال کرتا ہے اور دنیا کے کاربن کے اخراج میں 2 سے 8 فیصد حصہ ڈالتا ہے۔ چونکہ رنگ گندے پانی کو آلودہ کر سکتے ہیں اور آسانی سے بایوڈیگریڈیبل نہیں ہوتے، اس لیے رنگنے کا عمل خاص طور پر نقصان دہ ہے۔ ٹیکسٹائل کی صنعت بڑی مقدار میں فضلہ پیدا کرتی ہے، جس میں ہر سال 85% ٹیکسٹائل لینڈ فلز میں ختم ہو جاتے ہیں جبکہ کچھ قسم کے کپڑے دھونے سے بھی مائیکرو پلاسٹک سمندر میں نکلتا ہے۔ کمپنی ماحول کو خطرے میں ڈالنے کے بغیر کاروباری سرگرمیوں کے معمول کے دوران اپنی موجودہ ضروریات کو پورا کرنے کے لیے پوری طرح پرعزم ہے اور اسے آنے والی نسلوں کے لیے قابل بناتی ہے اور اپنے صارفین، سپلائرز، ملازمین اور دیگر اسٹیک ہولڈرز کو ایسی پالیسیاں نافذ کرنے کی ترغیب دیتی ہے جو زیادہ اخلاقی اور ماحولیاتی ہوں تنظیمی سرگرمیاں اور مطالبات۔

تنظیم نے پائیداری کے خطرات کو کم کرنے کے لیے درج ذیل اقدامات کیے:

- کمپنی نے ہیٹ ریکوری بوائلرز نصب کیے ہیں جو بھاپ پیدا کرنے کے لیے فضلہ کی حرارت کو استعمال کرنے کا پائیدار طریقہ ہے۔ یہ کاربن کے اثرات کو کم کرنے، توانائی کی کھپت اور مینوفیکچرنگ کے عمل کے دوران ہونے والے ماحولیاتی اثرات کو کم کرنے میں مدد کرتا ہے۔
- چونکہ کپاس انتہائی آتش گیر پروڈکٹ ہے اس لیے خام مال یا تیار مصنوعات کی نقل و حمل کے دوران گاڑیوں کے لیے شعلہ گرفتاری لازمی ہے۔ یہ زہریلے آلودگیوں کو پکڑ کر ماحول کی حفاظت میں مدد کرتا ہے اور انہیں فضا میں چھوڑنے سے روکتا ہے اور آگ

لگنے کے امکانات کو کم کرتا ہے۔ تنظیم کے ساتھ تجارتی طور پر منسلک تمام گاڑیوں کے ذریعہ شعلہ گرفتار کرنے والوں کو نصب کرنے کی ضرورت ہے۔

(پنکھے لگائے ہیں تاکہ ہوا کے FD • کمپنی نے اپنے بوائلرز میں جبری ڈرافٹس) ایندھن کے بہترین تناسب کو برقرار رکھا جا سکے، دہن کی کارکردگی کو بہتر بنایا کے اخراج کو کم کیا جا سکے۔ CO2 جا سکے اور ماحول میں • کمپنی پیداواری عمل کے دوران ایسے غیر مضر کیمیکلز کا استعمال کرتی ہے جو کہ انسانوں، مقامی ماحولیاتی نظام یا جنگلی حیات کے لیے فطری طور پر نقصان دہ نہیں ہوتے لیکن پھر بھی اس نے انسانی صحت کی حفاظت کو یقینی بنانے کے لیے اسے ایک کنٹرولڈ، محتاط طریقے سے ٹھکانے لگایا۔ ماحول

تنوع، مساوات اور شمولیت کو فروغ دینا

ہم پورے بورڈ میں ایک ایسا ماحول بنانے کے لیے پرعزم ہیں جہاں ہر کسی کو مساوی مواقع تک رسائی حاصل ہو۔ ایک مساوی مواقع کے آجر کے طور پر، ہم ایک محفوظ اور نتیجہ خیز کام کی جگہ کو فروغ دیتے ہیں تاکہ یہ یقین دہانی کرائی جا سکے کہ ٹیم کا ہر رکن قابل قدر اور شامل ہے۔ کمپنی ایک ایسی ثقافت کی حوصلہ افزائی کرتی ہے جو مختلف قسم کی قدر کرتی ہے، اس کا احترام کرتی ہے، اور ہر ایک کے منفرد خیالات، نقطہ نظر، تجربات اور صلاحیتوں پر زور دیتی ہے۔ کمپنی تمام قسم کے امتیازات سے پاک ایک جامع کام کی جگہ قائم کرنے پر توجہ مرکوز کرتی ہے جہاں تنوع کی قدر کی جاتی ہے اور اسے ایک اسٹریٹجک فائدہ کے لیے قبول کیا جاتا ہے جس کے نتیجے میں کمپنی پر نمایاں اثر پڑتا ہے۔

حکمت عملی کی نگرانی کرتا ہے، جو ہماری افرادی قوت میں خواتین DE&I بورڈ ہماری پر خصوصی زور دینے کے ساتھ، ہماری متنوع ٹیم کے تمام اراکین کو بااختیار بنانے پر زور دیتا ہے۔ خواتین ملازمین کے لیے کمپنی میں ڈے کیئر کی سہولت کا قیام کام پر معاون والدین اور بہتر تنظیمی پیداوار کے درمیان ایک مضبوط ربط پیدا کرنے میں مدد کرتا ہے۔ والدین کے لیے لائیو ویڈیو ریکارڈنگ تک رسائی کے ذریعے حفاظت اور سلامتی کے خدشات کا ازالہ کیا جاتا ہے۔ یہ سہولت جدید سہولیات سے آراستہ ہے، لچکدار گھنٹے، اور تنظیم کے شیڈول کے ساتھ صف بندی ملازمین کے اطمینان، برقرار رکھنے، پیداواری صلاحیت، اور کارکردگی میں معاونت کرتی ہے اور شمولیت کو فروغ دیتی ہے، روایتی صنفی کرداروں کو چیلنج کرتی ہے اور ایک متنوع کام کی جگہ کو فروغ دیتی ہے۔

ڈائریکٹر معاوضہ پالیسی

ڈائریکٹر کی معاوضے کی پالیسی کمپنی کے طویل مدتی مقاصد کو آگے بڑھانے کے لیے بورڈ اور سینئر مینجمنٹ میں صحیح ٹیلنٹ کو برقرار رکھنے کے لیے کمپنی کی کارکردگی اور استحکام کا سنگ بنیاد ہے۔ چونکہ کمپنی کا بورڈ اور سینئر مینجمنٹ اسٹریٹجک سمت فراہم کرنے، اہم کاروباری فیصلوں اور عمل درآمد کی ذمہ داریاں نبھاتے ہیں، اس لیے یہ بہت ضروری ہے کہ انہیں ان کی کارکردگی کے لیے زیادہ ذمہ دار اور جوابدہ بنایا جائے۔ سینئر مینجمنٹ اور بورڈ ممبران کے معاوضے کے طریقہ کارپوریٹ گورننس کے مجموعی فریم ورک کے بہت اہم پہلوؤں میں سے ایک ہیں، کیونکہ یہ کمپنی کی کارکردگی کو متاثر کرتا ہے، جس کے نتیجے میں عام شیئر ہولڈرز کو واپسی اور کمپنی کے استحکام پر اثر پڑتا ہے۔ معاوضے کی پالیسی کمپنیز ایکٹ 2017، کمپنیز آرٹیکل آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس ریگولیشنز، 2019 کی دفعات کے تحت بورڈ کو انسانی وسائل اور معاوضے کی کمیٹی (HRRC) کی سفارشات اور تجاویز کے تحت تیار کی گئی ہے۔ ایگزیکٹو ڈائریکٹرز مقررہ ماہانہ معاوضے اور HRRC کی طرف سے تجویز کردہ دیگر مراعات کے حقدار ہیں جن کی بورڈ نے باضابطہ طور پر منظوری دی اور اس کے بعد کمپنی کی جنرل میٹنگ میں ممبران کی منظوری لی گئی۔

ایکٹ کے سیکشن 227(a)(i) کے مطابق، موجودہ مالی سال کے دوران کمپنی کے ڈائریکٹرز کو درج ذیل معاوضے (نوٹ 35) ادا کیے گئے ہیں:

(a) جناب خرم سلیم (PKR 800,000.00 - CEO) ماہانہ۔

(ب) جناب محمد سلیم (PKR 1,000,000.00 - ED) ماہانہ۔

اس کے علاوہ، مندرجہ بالا ڈائریکٹرز کے لیے دیگر فوائد میں کمپنی کے زیر انتظام گاڑی ایندھن، کاروباری سفر اور مواصلاتی اخراجات شامل ہیں۔ کمپنی کے کسی دوسرے ڈائریکٹر کو کوئی فیس یا معاوضہ ادا نہیں کیا گیا ہے۔

قانونی آڈیٹرز۔

موجودہ آڈیٹر کے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس 27 اکتوبر 2025 کو طے شدہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے، تاہم، اہل ہونے کی وجہ سے انہوں نے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے 30 جون 2026 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور ایکسٹرنل آڈیٹر مقرر کرنے کی تجویز دی ہے۔ کوالٹی کنٹرول کے تحت بیرونی آڈیٹر میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو تسلی بخش درجہ بندی دی گئی ہے۔ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کا جائزہ پروگرام۔ فرم اور اس کے تمام پارٹنر انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کی طرف سے اپناؤ گئے کوڈ آف ایتھکس پر انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے رہنما اصولوں کی تعمیل کرتے ہیں اور وہ ایس ای سی پی ایکٹ 1997 کے سیکشن 136 کے تحت آڈٹ اور سائٹ بورڈ کے ساتھ رجسٹرڈ ہیں۔ قانونی آڈیٹرز نے نہ تو کوئی فیصلہ سازی، اندرونی آڈٹ یا انتظامی کام انجام دیا اور نہ ہی ان کا کمپنی کے کسی ڈائریکٹر یا ایگزیکٹوز کے ساتھ کسی قسم کا تعلق ہے۔ منگنی کے شراکت داروں کو ہر پانچ سال کی تکمیل کے بعد گھمایا جاتا تھا۔

بورڈ آف ڈائریکٹرز نے 30 جون 2026 کو ختم ہونے والے سال کے لیے میسرز مشتاق اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور ایکسٹرنل آڈیٹر تقرری کی مقرر کیا گیا ہے۔ 2025-26 جیسا کہ کوڈ کے ضابطے 32(3) کے تحت آڈٹ کمیٹی نے بورڈ -/PKR 2,600,000 بھی سفارش کی اور آڈیٹرز کا معاوضہ کو تجویز کیا ہے۔ اسائنمنٹس میں قانونی آڈٹ، ششماہی جائزہ اور کارپوریٹ گورننس ریویو کا کوڈ شامل ہے۔

مادی تبدیلیاں اور وعدے۔

کمپنی کے مالی سال کے اختتام جس سے بیلنس شیٹ کا تعلق ہے اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

اعتراف

میں بورڈ آف ڈائریکٹرز، قابل قدر شیئر ہولڈرز، صارفین، قرض دہندگان، سپلائرز، اور دیگر اسٹیک ہولڈرز کا ان کی حوصلہ افزائی، اعتماد اور تعاون کے لیے انتہائی پابند ہوں اور میں ہر ملازم کے عزم، استقامت اور محنت کے لیے ان کا شکریہ ادا کرنا چاہوں گا۔ کاروبار کی کامیابی میں مدد کرنے

خرم سلیم



چیف ایگزیکٹو

محمد سلیم



ڈائریکٹر

کراچی: 30 ستمبر 2025

Bhanero Textile Mills Ltd

Shareholder Proxy Form

I/We _____ of _____ being a member of **BHANERO TEXTILE MILLS LIMITED** and holder of _____ ordinary shares as per Share Register Folio No. _____ and/or CDC Participant ID No. _____ and Sub Account No. _____ hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her _____ of _____ as my / our proxy to act on my/our behalf at the 46th Annual General Meeting of the Company to be held on Monday, 27th October 2025 at 03:00 pm at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. and/or at any adjournment thereof.

To be signed by the above-named shareholder and affix Rs.5 revenue stamp.



As witness my / our hand / on this _____ day of _____ 2025.

Signature of witness: _____

Name of the witness: _____

CNIC/ PP of the witness: _____

Address of the witness: _____

Notes:

If a member is unable to attend the meeting, they may complete and sign this proxy form and submit to the Company Secretary, **Bhanero Textile Mills Limited**, Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. This proxy form shall reach not less than 48 hours before the time scheduled for holding the meeting.

- (i) The Proxy form shall be witnessed by a person whose name, address and CNIC/Passport number should be stated on the form.
- (ii) Attested copy of CNIC or the Passport of the beneficial owner along with the Proxy form should also be submitted.
- (iii) The Proxy nominee shall produce his / her original CNIC or original Passport at the time of the meeting.
- (iv) In case of a Corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature should be submitted (unless it has been provided earlier) along with Proxy form to the Company.



BHANERO TEXTILE MILLS LIMITED

BALLOT PAPER FOR VOTING THROUGH POST

Ballot Paper for the Special Businesses at the Annual General Meeting to be held on Monday, 27th October, 2025 at **03:00 pm** at the Registered Office of the Company located at Umer House, 23/1, Sector 23, SM Farooq Road, Korangi Industrial Area, 74900, Karachi.

Contact details of Chairman, where ballot paper may be sent:

Business Address: The Chairman, **Bhanero Textile Mills Limited** at Umer House, 23/1, Sector 23, SM Farooq Road, Korangi Industrial Area, 74900, Karachi.

Email Address: **btm.corporate@umergroup.com**

Name of shareholder/joint shareholder(s):	
Registered Address:	
Folio / CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures {In case of representative of body corporate, corporation and Federal Government}	
Name of Authorized Signatory:	
NIC / Passport No. (in case of foreigner) of Authorized Signatory - (copy to be attached)	

I/We hereby exercise my/our vote in respect of the following Resolutions through postal ballot by giving my/our assent or dissent by placing tick 'mark in the appropriate box below:

Nature and Description of Resolutions	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
Agenda A(i) <i>“Resolved That Related Parties Transactions carried out during the year as disclosed in the financial statements for the year ended June 30, 2025, be and are hereby ratified, approved and confirmed.”</i>		

<p>Agenda A(ii)</p> <p><i>“Resolved That the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis during the financial year ending June 30, 2026.</i></p> <p><i>Further Resolved That that transactions approved by Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next general meeting for their formal ratification/approval.”</i></p>		
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Notes:

1. Duly filled postal ballot should be sent to the Chairman of **Bhanero Textile Mills Ltd** at above-mentioned postal or email address.
2. Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman of the meeting within business hours on or before 25th October, 2025. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website at <https://www.umergroup.com> Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

Signature of Shareholder(s) / Proxy Holder(s) / Authorized Signatory

(In case of corporate entity, please affix company stamp)

Place: _____

Dated: _____